18A:6-51

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:6-51 (Educational services commissions modify)

LAWS OF: 1989 **CHAPTER:** 254

Bill No: S3744

Sponsor(s): Feldman

Date Introduced: June 30, 1989

Committee: **Assembly:** -----

Senate: Education

Amended during passage: No Committee Substitute enacted

Date of Passage: **Assembly:** December 18, 1989

Senate: December 11, 1989

Date of Approval: January 33, 1990

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: **Assembly:** No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 3744

STATE OF NEW JERSEY

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ADOPTED NOVEMBER 30, 1989

Sponsored By Senator FELDMAN

AN ACT concerning educational services commissions, amending P.L.1968, c.243 and repealing section 5 of P.L.1986, c.9.

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

1. Section 1 of P.L.1968, c.243 (C.18A:6-51) is amended to read as follows:

1. Definitions:

(a) "Educational Services Commission" means an agency established or to be established in one or more counties for the purpose of carrying on programs of educational research and development and providing to public school districts such educational and administrative services as may be authorized pursuant to rules of the State Board of Education.

(b) "Commission" means [county] educational services commission.

(c) "State board" means the State Board of Education.

(d) "Commissioner" means the Commissioner of Education.

(e) "[Operation] Commission expenses" means those funds devoted to or required for the regular or ordinary operating expenses of the commission, including administrative, maintenance and salary expenses, and purchase or rental of real and personal property necessary for the operation of the commission, but excluding [contracted services expense] program or service expenses.

(f) ["Contracted services expense" means funds devoted to or required for services provided pursuant to contracts with school districts whether member districts of the commission or not, or contracts with nonpublic schools.] (deleted by P.L....., c....).

(g) "Member district" means a public school district [located in the county or counties in which a commission is established

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.

which is authorized by this act to be a constituent part of the commission, to participate in the election of members of the governing body of the commission, and to contract with the commission for one or more of its services] which by local board resolution joins the original petition to the State Board of Education for approval to establish an educational services commission, or subsequently becomes a member district by local board resolution and upon approval of the Board of Directors of the commission.

(h) "School administrator" means the superintendent or [administrative principal] chief school administrator.

(i) "Board of Directors" means those members elected by the representative assembly to act on commission business on behalf of the assembly.

(j) "Program or service expenses" means those funds devoted to or required for the provision of a program or service by the commission, including but not limited to the administrative, maintenance and salary expenses and the purchase or rental of real or personal property necessary for the provision of the program or service.

(k) "Representative assembly" means a governing body of the educational services commission composed of an elected representative from each member district.

(cf: P.L.1979, c.356, s.1)

2. Section 2 of P.L.1968 c.243 (C.18A:6-52) is amended to read as follows:

2. a. Whenever [2] 5 or more boards of education in any county or in any 2 or more counties and the commissioner after study and investigation shall deem it advisable to establish a county educational services commission, such boards of education may petition the State Board of Education for permission to establish such a commission. A report shall be attached to such petition setting forth the kind or kinds of educational and administrative services and programs which are deemed to be needed and proposed to be provided, an estimate of the cost of providing such services and programs, a method of financing the [operation expenses] expenditures of such commission, including a detailed budget which projects anticipated costs and identifies anticipated sources of revenue until such can be financed under

its first regularly adopted budget [as provided in section 12], and any other data or information deemed pertinent.

The State board, after studying the petition and report, shall determine whether there is a need for such a commission and whether its operation is feasible. If the State board finds that the need exists and further finds that the operation of a commission will be feasible, it shall approve the petition and so notify the petitioning boards of education and the county superintendent or county superintendents of the county or counties, as the case may be, in which such boards of education are located.

b. Commissions of less than five member districts established prior to the effective date of this amendatory act may continue to provide services and programs pursuant to this act.

(cf: P.L.1968, c.243, s.2)

3. Section 3 of P.L.1968 c.243 (C.18A:6-53) is amended to read as follows:

3. Whenever the boards of education and the county superintendent or superintendents, as the case may be, receive notification that the State board approves the establishment of a commission, the county superintendent, or the county superintendents by agreement if more than one county is included, shall instruct each board of education to elect one of its members or the superintendent or chief school administrator, to [serve on the board of directors of such] represent the district on the commission, and shall fix a date and place for the first meeting of the [said board of directors] representative assembly .

(cf: P.L.1968, c.243, s3)

4. Section 4 of P.L.1968 c.243 (C.18A:6-54) is amended to read as follows:

4. The first [board of directors] representative assembly shall organize upon the call of the county superintendent or county superintendents, as the case may be. Thereafter the [board of directors] representative assembly shall organize annually [on] during the first [Monday] week of [October] June and meet at other times as necessary. The [board of directors] representative assembly shall [organize by electing a president and a vice-president, who shall serve until the next annual organization meeting] elect, by a majority vote, from among its members a

board of directors to serve until the next annual organization meeting. Upon election, the board of directors shall elect a president and vice president who shall also serve until the next organization meeting.

(cf: P.L.1968, c.243, s.4)

5. Section 5 of P.L.1968 c.243 (C.18A:6-55) is amended to read as follows:

5. The board of directors shall consist of [one representative from each member board of education, which may be a school administrator, or a local board of education member and the county superintendent or county superintendents, as the case may be, of the county or counties in which the member school districts are located] 15 or more members of the representative assembly. The board of directors of a commission which has 15 or fewer member districts shall be comprised of all members of the representative assembly. Each member of the board of directors shall have one vote. Members shall serve without compensation but shall be entitled to reimbursement for all reasonable and necessary expenses.

(cf: P.L.1979, c.356, s.2)

6. Section 6. of P.L.1968, c.243 (C.18A:6-56) is amended to read as follows:

6. Members of the [board of directors representing school districts] representative assembly shall be elected by their respective boards of education [from among the membership of such boards] at the annual organization meeting. An individual so elected shall be a member of the district's board of education or [their] the district's superintendent or chief school administrator. Should the representative cease to be a member or employee of the board of education which elected [him, his place on the board of directors] the representative, that position shall become vacant [, and the board of education which elected him shall elect another of its members, or school administrator] and a replacement shall be selected by that member district in a like manner to fill the vacancy for the remainder of the term for which the vacating member had been elected.

[The members of the first board of directors shall serve until the regular annual organization meeting next ensuing and for 1 year or 2 years thereafter as their first terms shall be established

according to an assignment of original terms in which the names of the school districts shall be arranged in order alphabetically and then numbered consecutively, beginning with the number 1, and those districts having odd numbers in such alphabetical list shall be assigned an original term of 2 years, and those districts having even numbers in such list having an original term of 1 year. After the original term, the term of office of a school district member of the board of directors shall be for 2 years.]
(cf: P.L.1979, c.356, s.3)

7. Section 7 of P.L.1968, c.243 (C.18A:6-57) is amended to read as follows:

7. The board of directors shall meet for the transaction of business at least once every 2 months throughout the year. A written record of all action taken by the board of directors shall be forwarded to the members of the representative assembly after each meeting.

The board shall [neither] not enter into a contract [nor pay a bill or demand for money against it,] until the same has been presented and passed upon at a regularly called meeting of the board. The board may pay a bill or a demand for money against it by action of the board or as provided in section 4 of P.L.1982, c.196 (C.18A:19-4.1).

The board may designate its president, its vice-president and [the county superintendent or county superintendents serving ex officio on] one other member of the board as an executive committee to administer the affairs of the board of directors between regularly convened meetings of the board.

A quorum shall consist of a majority of the members of the board of directors.
(cf: P.L.1968, c.243, s.7)

8. Section 8 of P.L.1968, c.243 (C.18A:6-58) is amended to read as follows:

8. The board shall appoint a suitable person to be its secretary and shall fix his compensation and term of employment. The secretary shall before entering upon the duties of his office execute and deliver to the board a bond in a sum to be fixed by it, with surety to be approved by the board, conditioned for the faithful performance of the duties of his office. The board may accept the bond of a company authorized to execute surety

bonds, and may pay the annual premium or fee [therefor as an operating expense] for the bond as a commission expense.

(cf: P.L.1968, c.243, s.8)

9. Section 9 of P.L.1968, c.243 (C.18A:6-59) is amended to read as follows:

9. The powers and duties of the secretary of the board of directors shall be prescribed by the board, including but not limited to the following:

(a) Record in a suitable book all proceedings of the board.

(b) Pay out on warrants signed by [2 members of the executive committee all moneys of the commission] the president and another member of the board.

(c) Report to the board at each regular meeting:

(1) The amount of the total appropriations and the cash receipts for each account;

(2) The amount for which warrants have been drawn and the amount of orders for all contractual obligations since the date of his last report;

(3) The accounts against which the warrants have been drawn and the accounts against which the contractual obligations are chargeable; and

(4) The cash balance and free balance to the credit of each account;

(d) Notify all members of the board of all regular meetings of the board.

(e) Notify all members of the board of special meetings of the board when ordered by the president to do so, or when requested to do so by a petition in writing signed by at least 1/3 of the members of the board.

(f) During the month of [October] November in each year, report to the board a detailed audit report of its financial transactions during the preceding fiscal year, and file a copy thereof with the county superintendent of schools, or county superintendents, as the case may be, of the county or counties in which the commission is located. The report shall itemize all expenses, indicating which are commission expenses and which are expenses of each program or service offered. Where appropriate, the report shall indicate which commission expenses can be reasonably charged to specific programs or services. The

report shall also indicate the amount and disposition of revenues derived from membership charges, if any, and from each program or service.

(g) Notify all members of the representative assembly of meetings of the board of directors and record all transactions.

(cf: P.L.1968, c.243, s.9)

10. Section 10 of P.L.1968, c.243 (C.18A:6-60) is amended to read as follows:

10. The board of directors [may] shall appoint a suitable person to be the [executive director] superintendent or chief school administrator of the commission. Such person shall possess a certificate appropriate to [his] the position of superintendent or chief school administrator as [may be] prescribed under rules of the State Board of Examiners. [He] The superintendent or chief school administrator shall have a seat on the board of directors, but no vote. He shall have the same powers as are conferred upon superintendents of schools by Title 18A of the New Jersey Statutes.

(cf: P.L.1968, c.243, s.10)

11. Section 11 of P.L.1968, c.243 (C.18A:6-61) is amended to read as follows:

11. The board of directors shall be a body corporate, and shall be known as "the board of directors of " (here shall be inserted a suitable name to be adopted by the board of directors with the approval of the State Board of Education, but such name shall contain at least the words "Educational Services Commission.")

The board of directors may purchase, lease-purchase or lease personal or real property in accordance with rules and regulations to be adopted by the State board of education.

(cf: P.L.1968, c.243, s.11)

12. Section 12 of P.L.1968, c.243 (C.18A:6-62) is amended to read as follows:

12. The [board of directors] representative assembly shall annually, on or before [October 1, prepare] January 15, adopt a budget for the ensuing fiscal year, which shall contain the estimated cost of providing each service or program, and submit such budget within three days of adoption to the [board of directors at the annual organization meeting in October. The board of directors shall adopt a budget on or before November 1

next following its organization and shall forthwith notify all member boards of education of their proportionate share of the operating expense of the commission for the next ensuing school year. The proportionate share of the operating expense for each member board of education shall] county superintendent for approval.

By December 1 prior to the adoption of the budget the board shall notify each member board of education of the fees to be charged for each service and program for the ensuing school year and of the method by which the commission expenses shall be funded.

The commission expenses may be paid from one or more of the following sources:

a. unappropriated balances from the prebudget year;

b. anticipated surpluses to be generated by fees for programs or services;

c. payments by member districts;

d. anticipated miscellaneous revenues.

If payments shall be made by member districts to pay for all or part of the commission expenses, each member district's share shall be determined as the proportion which the total public school enrollment in the school district on September 30 of the year in which the budget is made bears to the total public school enrollment for all member districts on said September 30 or in any other manner agreed to by two-thirds of the members of the representative assembly. Payment of the member district's [proportionate] share of the [operating] commission expense, when so determined, shall be an obligation of a member school district, and payments shall be made during the school year for which such budget shall have been made in [4 equal installments on July 1, October 1, January 1, and April 1] a manner determined by the representative assembly.

(cf: P.L.1968, c.243, s.12)

13. Section 13 of P.L.1968, c.243 (C.18A:6-63) is amended to read as follows:

13. a. The [board of directors] representative assembly shall from time to time determine what services and programs shall be provided by the commission, subject to approval of and pursuant to rules of the State Board of Education. It shall determine the

[cost of] fee to be charged for providing [such services] each service and program, and [may] enter into contracts with [member] school districts, whether member districts of the commission or not, to provide any or all such services and programs. The commission may enter into contracts to provide these services and programs to nonpublic schools. Such contracts for member districts may be for terms not exceeding 10 years, and a member school district, having so contracted, may not withdraw from membership in the commission during the term of such a contract.

b. Commissions may enter into contracts with other public and private agencies for the provision of approved services and programs to participating public school districts and nonpublic schools. These contractual arrangements shall conform to rules and regulations of the State Board of Education and be approved by the county superintendent or superintendents, as the case may be.

(cf: P.L.1968, c.243, s.13)

14. Section 14 of P.L.1968, c.243 (C.18A:6-64) is amended to read as follows:

14. Except as provided in section 13 of this act, a school district which is a member of a commission may withdraw from membership by adopting a resolution setting forth its intention to withdraw and the reason or reasons for the withdrawal, and filing with the county superintendent or superintendents, as the case may be, and secretary of the board of directors a certified copy of such resolution. [Such] The withdrawal shall be effective at the conclusion of the third full school year after the filing of such resolution with the secretary of the board of directors.

(cf: P.L.1968, c.243, s.14)

15. Section 18 of P.L.1968, c.243 (C.18A:6-67) is amended to read as follows:

18. [With the approval of the State Board of Education, the] The board of directors may enter into a contract with and receive and administer funds and grants from any individual or agency, including but not limited to, agencies of the Federal Government of the United States, provided that the funds or grants are for programs or services for which the commission has received approval from the State board pursuant to sections 2 and 19 of

P.L.1968, c.243 (C.18A:6-52 and C.18A:6-69).

(cf: P.L.1968, c.243, s.17)

16. Section 19 of P.L.1968, c.243 (C.18A:6-69) is amended to read as follows:

19. The [board of directors] representative assembly may enlarge or alter the purposes for which the formation of the commission was approved, upon application to and approval by the State Board of Education.

(cf: P.L.1968, c.243, s.19)

17. Section 20 of P.L.1968, c.243 (C.18A:6-70) is amended to read as follows:

20. A board of education not a member of a commission at the time such commission was established shall be admitted to such commission upon application to [its board of directors] the representative assembly not less than 3 months prior to the annual organization meeting [of the board of directors next ensuing. The term of the representative elected by such new member board of education shall be for 1 or 2 years as may be required to provide for the election of as nearly 1/2 of the board of directors each year. Thereafter the term of such representative shall be for 2 years. Should more than one new board of education member be admitted at any annual organization, the county superintendent, or county superintendents, as the case may be, shall determine by lot the assignment or original 1-year or 2-year terms] of the representative assembly.

(cf: P.L.1968, c.243, s.20)

18. Section 5 of P.L.1986, c.9 (C.18A:6-62.1) is repealed.

19. This act shall take effect July 1 next following enactment, but the county superintendent may convene the representative assembly as provided in section 4 of this act prior to that date and the representative assembly may take such anticipatory administrative action in advance as shall be necessary for the implementation of the act.

EDUCATION

School Boards and Officers

Modifies certain structural and operational features of educational services commissions.

SENATE, No. 3744

STATE OF NEW JERSEY

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INTRODUCED JUNE 30, 1989

By Senator FELDMAN

AN ACT concerning educational services commissions and amending P.L.1968, c.243.

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

1. Section 1 of P.L.1968, c.243 (C.18A:6-51) is amended to read as follows:

1. Definitions:

(a) "Educational Services Commission" means [an] a limited purpose local educational agency [established or to be established in one or more counties for the purpose of carrying on programs of educational research and development and providing to public school districts such educational and administrative services as may be authorized pursuant to rules of the State Board of Education] organized under the provisions of this title and the rules and regulations of the State Board of Education to provide educational and administrative services and programs for local school districts. These programs and services shall be provided in accordance with applicable law, and rules and regulations established by the State Board of Education for all limited purpose local educational agencies in the State of New Jersey.

(b) "Commission" means [county] educational services commission.

(c) "State board" means the State Board of Education.

(d) "Commissioner" means the Commissioner of Education.

(e) ["Operation expenses" means those funds devoted to or required for the regular or ordinary operating expenses of the commission, including administrative, maintenance and salary expenses, and purchase or rental of real and personal property, but excluding contracted services expense.] (deleted by P.L....., c....)

(f) ["Contracted services expense" means funds devoted to or required for services provided pursuant to contracts with school

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.

districts whether member districts of the commission or not, or contracts with nonpublic schools.] (deleted by P.L....., c....).

(g) "Member district" means a public school district [located in the county or counties in which a commission is established which is authorized by this act to be a constituent part of the commission, to participate in the election of members of the governing body of the commission, and to contract with the commission for one or more of its services] which by local board resolution joins the original petition to the State Board of Education for approval to establish an educational services commission, or subsequently becomes a member district by local board resolution and upon approval of the Board of Directors of the commission.

(h) "School administrator" means the superintendent or [administrative principal] chief school administrator.

(i) "Board of Directors" means those members elected by the representative assembly to act on commission business on behalf of the assembly.

(j) "Cost of each service or program" means each participating school district's or non-public school's share of the total funds required for development and implementation of that service or program.

(k) "Representative assembly" means a policy-making body composed of each member district's elected representative to the educational services commission.

(l) "Total funds required" means the amount of money necessary to pay for all direct and indirect costs of developing and implementing a service or a program.

(cf: P.L.1979, c.356, s.1)

2. Section 2 of P.L.1968 c.243 (C.18A:6-52) is amended to read as follows:

2. a. Whenever [2] 5 or more boards of education in any county or in any 2 or more counties and the commissioner after study and investigation shall deem it advisable to establish a county educational services commission, such boards of education may petition the State Board of Education for permission to establish such a commission. A report shall be attached to such petition setting forth the kind or kinds of educational and administrative services and programs which are deemed to be needed and

proposed to be provided, an estimate of the cost of providing such services and programs, a method of financing the [operation expenses] expenditures of such commission, including a detailed budget which projects anticipated costs and identifies anticipated sources of revenue until such can be financed under its first regularly adopted budget [as provided in section 12], and any other data or information deemed pertinent.

The State board, after studying the petition and report, shall determine whether there is a need for such a commission and whether its operation is feasible. If the State board finds that the need exists and further finds that the operation of a commission will be feasible, it shall approve the petition and so notify the petitioning boards of education and the county superintendent or county superintendents of the county or counties, as the case may be, in which such boards of education are located.

b. Commissions established prior to the effective date of this amendatory act continue to provide services and programs pursuant to this act.

(cf: P.L.1968, c.243, s.2)

3. Section 3 of P.L.1968 c.243 (C.18A:6-53) is amended to read as follows:

3. Whenever the boards of education and the county superintendent or superintendents, as the case may be, receive notification that the State board approves the establishment of a commission, the county superintendent, or the county superintendents by agreement if more than one county is included, shall instruct each board of education to elect one of its members or the superintendent or chief school administrator, to [serve on the board of directors of such] be the district's representative to the commission, and shall fix a date and place for the first meeting of the [said board of directors] representative assembly .

(cf: P.L.1968, c.243, s3)

4. Section 4 of P.L.1968 c.243 (C.18A:6-54) is amended to read as follows:

4. The first [board of directors] representative assembly shall organize upon the call of the county superintendent or county superintendents, as the case may be. Thereafter the [board of

directors] representative assembly shall organize annually [on] during the first [Monday] week of [October] June. The [board of directors] representative assembly shall organize by [electing a president and a vice-president, who shall serve until the next annual organization meeting] a majority vote of the representatives and the county superintendent or superintendents to elect a minimum of 5 representatives from the member districts to serve as the board of directors until the next annual organization meeting. Upon election, the board of directors shall elect a president and vice president who shall also serve until the next organization meeting.

(cf: P.L.1968, c.243, s.4)

5. Section 5 of P.L.1968 c.243 (C.18A:6-55) is amended to read as follows:

5. The board of directors shall consist of [one representative from each member board of education, which may be a school administrator, or a local board of education member and the county superintendent or county superintendents, as the case may be, of the county or counties in which the member school districts are located] 5 or more elected representatives from the representative assembly. Each member of the board of directors shall have one vote. Members shall serve without compensation but shall be entitled to reimbursement for all reasonable and necessary expenses.

(cf: P.L.1979, c.356, s.2)

6. Section 6 of P.L.1968, c.243 (C.18A:6-56) is amended to read as follows:

6. [Members of the board of directors representing school] Representatives of member districts shall be elected by their respective boards of education [from among the membership of such boards] at the annual organization meeting. An individual so elected shall be a member of the district's board of education or [their] the district's superintendent or chief school administrator. Should the representative cease to be a member or employee of the board of education which elected [him, his place on the board of directors] the representative, that position shall become vacant [, and the board of education which elected him shall elect another of its members, or school administrator] and a replacement shall be selected in a like manner to fill the

vacancy for the remainder of the term for which the vacating member had been elected.

[The members of the first board of directors shall serve until the regular annual organization meeting next ensuing and for 1 year or 2 years thereafter as their first terms shall be established according to an assignment of original terms in which the names of the school districts shall be arranged in order alphabetically and then numbered consecutively, beginning with the number 1, and those districts having odd numbers in such alphabetical list shall be assigned an original term of 2 years, and those districts having even numbers in such list having an original term of 1 year. After the original term, the term of office of a school district member of the board of directors shall be for 2 years.]
(cf: P.L.1979, c.356, s.3)

7. Section 7 of P.L.1968, c.243 (C.18A:6-57) is amended to read as follows:

7. The board of directors shall meet for the transaction of business at least once every 2 months throughout the year. A written record of all action taken by the board of directors shall be forwarded to the members of the representative assembly after each meeting.

The board shall neither enter into a contract nor pay a bill or demand for money against it, until the same has been presented and passed upon at a regularly called meeting of the board.

The board may designate its president, its vice-president and [the county superintendent or county superintendents serving ex officio on the board] another member as an executive committee to administer the affairs of the board of directors between regularly convened meetings of the board.

A quorum shall consist of a majority of the members of the board of directors.
(cf: P.L.1968, c.243, s.7)

8. Section 8 of P.L.1968, c.243 (C.18A:6-58) is amended to read as follows:

8. The board shall appoint a suitable person to be its secretary and shall fix his compensation and term of employment. The secretary shall before entering upon the duties of his office execute and deliver to the board a bond in a sum to be fixed by it, with surety to be approved by the board, conditioned for the

faithful performance of the duties of his office. The board may accept the bond of a company authorized to execute surety bonds, and may pay the annual premium or fee [therefor as an operating expense] for the bond.

(cf: P.L.1968, c.243, s.8)

9. Section 9 of P.L.1968, c.243 (C.18A:6-59) is amended to read as follows:

9. The powers and duties of the secretary of the board of directors shall be prescribed by the board, including but not limited to the following:

(a) Record in a suitable book all proceedings of the board.

(b) Pay out on warrants signed by [2 members of the executive committee all moneys of the commission] the president and another member of the board.

(c) Report to the board at each regular meeting:

(1) The amount of the total appropriations and the cash receipts for each account;

(2) The amount for which warrants have been drawn and the amount of orders for all contractual obligations since the date of his last report;

(3) The accounts against which the warrants have been drawn and the accounts against which the contractual obligations are chargeable; and

(4) The cash balance and free balance to the credit of each account;

(d) Notify all members of the board of all regular meetings of the board.

(e) Notify all members of the board of special meetings of the board when ordered by the president to do so, or when requested to do so by a petition in writing signed by at least 1/3 of the members of the board.

(f) During the month of [October] November in each year, report to the board a detailed report of its financial transactions during the preceding fiscal year, and file a copy thereof with the county superintendent of schools, or county superintendents, as the case may be, of the county or counties in which the commission is located.

(g) Notify all members of the representative assembly of meetings of the board of directors and record all transactions.

(cf: P.L.1968, c.243, s.9)

10. Section 10 of P.L.1968, c.243 (C.18A:6-60) is amended to read as follows:

10. The board of directors [may] shall appoint a suitable person to be the [executive director] superintendent or chief school administrator of the commission. Such person shall possess a certificate appropriate to [his] the position of superintendent or chief school administrator as [may be] prescribed under rules of the State Board of Examiners. [He] The superintendent or chief school administrator shall have a seat on the board of directors, but no vote. He shall have the same powers as are conferred upon superintendents of schools by Title 18A of the New Jersey Statutes.

(cf: P.L.1968, c.243, s.10)

11. Section 11 of P.L.1968, c.243 (C.18A:6-61) is amended to read as follows:

11. The board of directors shall be a body corporate, and shall be known as "the board of directors of " (here shall be inserted a suitable name to be adopted by the board of directors with the approval of the State Board of Education, but such name shall contain at least the words "Educational Services Commission.")

The board of directors may purchase, lease-purchase or lease personal or real property in accordance with the rules and regulations to be adopted by the State board of education.

(cf: P.L.1968, c.243, s.11)

12. Section 12 of P.L.1968, c.243 (C.18A:6-62) is amended to read as follows:

12. The board of directors shall annually, on or before [October 1, prepare] January 15, adopt a budget for the ensuing fiscal year, which shall contain the estimated cost of providing each service or program, and submit such budget to the [board of directors at the annual organization meeting in October. The board of directors shall adopt a budget on or before November 1 next following its organization and shall forthwith notify all member boards of education of their proportionate share of the operating expense of the commission for the next ensuing school year. The proportionate share of the operating expense for each member board of education shall be determined as the proportion which the total public school enrollment in the school district on September 30 of the year in which the budget is made bears to

the total public school enrollment for all member districts on said September 30. Payment of the member district's proportionate share of the operating expense, when so determined, shall be an obligation of a member school district, and payments shall be made during the school year for which such budget shall have been made in 4 equal installments on July 1, October 1, January 1, and April 1] county superintendent for approval within three days of adoption.

(cf: P.L.1968, c.243, s.12)

13. Section 13 of P.L.1968, c.243 (C.18A:6-63) is amended to read as follows:

13. The board of directors shall from time to time determine what services and programs shall be provided by the commission, subject to approval of and pursuant to rules of the State Board of Education. It shall determine the estimated cost of providing such services and programs, and [may] enter into contracts with [member] school districts, whether member districts of the commission or not, to provide any or all such services and programs. The commission may enter into contracts to provide these services and programs to nonpublic schools. All contracts shall require school districts or nonpublic schools to pay over to the commission within ten days after the beginning of the contract, 20% of the annual contract amount and thereafter the balance of the annual contract amount in such amounts as may from time to time be requested by the commission within thirty days after each request. However, all payments shall be made before the date which is ten days prior to the end of the contract. Unless otherwise agreed upon by both parties, the commission shall not request more money at any one time than 20% of the annual contract amount or amounts that shall be required for the commission's expenditures for 20% of the period covered by the contract, whichever is lower. Such contracts for member districts may be for terms not exceeding 10 years, and a member school district, having so contracted, may not withdraw from membership in the commission during the term of such a contract.

Commissions may enter into contracts with other public and private agencies for the provision of approved services and programs to participating public school districts and nonpublic schools. These contractual arrangements must conform to rules

member board of education shall be for 1 or 2 years as may be required to provide for the election of as nearly 1/2 of the board of directors each year. Thereafter the term of such representative shall be for 2 years. Should more than one new board of education member be admitted at any annual organization, the county superintendent, or county superintendents, as the case may be, shall determine by lot the assignment or original 1-year or 2-year terms].

(cf: P.L.1968, c.243, s.20)

18. This act shall take effect July 1 next following enactment.

STATEMENT

This bill amends various sections of P.L.1968, c.243, which provides for the establishment and operation of educational services commissions. The bill defines educational services commissions as limited-purpose local education agencies and confers upon them authority to purchase, lease or lease-purchase personal and real property subject to the same laws which govern local school districts. The bill specifies that educational services commissions shall charge each school district or nonpublic school a proportionate share of the cost of providing each service or program for which the district or school contracts.

The bill also modifies the governance structure of educational services commissions. Under the bill each commission shall have a representative assembly composed of one member from each member district. The representative shall be selected by the school board of the member district from among members of that school board or the superintendent or chief school administrator. The representative assembly shall elect annually a board of directors, composed of at least five members of the representative assembly. The dates for the organization of the representative assembly and the adoption of the educational service commission budget are modified to more closely conform to the schedule for local school districts.

EDUCATION
School Boards and Officers

Modifies certain structural and operational features of educational services commissions.

and regulations of the State Board of Education.
(cf: P.L.1968, c.243, s.13)

14. Section 14 of P.L.1968, c.243 (C.18A:6-64) is amended to read as follows:

14. Except as provided in section 13 of this act, a school district which is a member of a commission may withdraw from membership by adopting a resolution setting forth its intention to withdraw and the reason or reasons for the withdrawal, and filing with the county superintendent and secretary of the board of directors a certified copy of such resolution. [Such] Upon review and approval by the commissioner and State Board of Education, the withdrawal shall be effective at the conclusion of the third full school year or other subsequent date as determined by the commissioner after the filing of such resolution with the secretary of the board of directors.
(cf: P.L.1968, c.243, s.14)

15. Section 18 of P.L.1968, c.243 (C.18A:6-67) is amended to read as follows:

18. [With the approval of the State Board of Education, the] The board of directors may enter into a contract with and receive and administer funds and grants from any individual or agency, including but not limited to, agencies of the Federal Government of the United States.
(cf: P.L.1968, c.243, s.17)

16. Section 19 of P.L.1968, c.243 (C.18A:6-69) is amended to read as follows:

19. The [board of directors] representative assembly may enlarge or alter the purposes for which the formation of the commission was approved[, upon application to and approval by the State Board of Education].
(cf: P.L.1968, c.243, s.19)

17. Section 20 of P.L.1968, c.243 (C.18A:6-70) is amended to read as follows:

20. A board of education not a member of a commission at the time such commission was established shall be admitted to such commission upon application to [its board of directors] the representative assembly not less than 3 months prior to the annual organization meeting [of the board of directors next ensuing. The term of the representative elected by such new

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 3744

STATE OF NEW JERSEY

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DATED: NOVEMBER 30, 1989

The Senate Education Committee favorably reports this bill as a committee substitute.

The Senate Committee Substitute to Senate, No. 3744 amends various sections of P.L.1968, c.243, which provides for the establishment and operation of educational services commissions.

The substitute modifies the governance structure of educational services commissions. Under the substitute each commission shall have a representative assembly composed of one member from each member district. The representative shall be selected by the school board of the member district from among members of that school board or the superintendent or chief school administrator. The representative assembly shall elect annually a board of directors, composed of at least 15 members of the representative assembly. The dates for the organization of the representative assembly and the adoption of the educational service commission budget are modified to more closely conform to the schedule for local school districts. The substitute also clarifies the right of an educational services commission to purchase, lease purchase or lease real property and to contract with other agencies for the provision of certain services and programs.

The substitute empowers the representative assembly of the educational services commission to establish the fees for each service or program offered by the commission. These fees need not be tied to the actual cost of providing the service or program and the funds collected may be used to cover all or part of the commission's expenses.

While the substitute distinguishes between "program or service expenses" and "commission expenses," funds generated by programs and services can be used interchangeably to pay either of these expense categories. "Program or service expenses" are defined as those funds devoted to or required for the provision of a program or service. "Commission expenses" refer to the regular or ordinary operating expenses of the commission, other than program or service

expenses. The substitute provides that the commission expenses may be paid through the use of surplus revenues generated by fees paid for services and programs, membership payments, surpluses brought forward from the prior year, or other commission income.

The substitute also provides that the commission's annual audit report shall itemize all expenses, indicating which are commission expenses and which are expenses of each program or service offered. Where appropriate, the report shall indicate which commission expenses can be reasonably charged to specific programs or services. The report shall also indicate the amount and disposition of revenues derived from membership charges, if any, and from each program or service.

The audit report is intended to facilitate an understanding of the commission's fiscal operation, and shall not limit the representative assembly's authority to establish fees and provide for the payment of expenses. For example, the administrative assembly might elect to pay one-half of the commission's office rental costs out of funds generated by the transportation program, without having to establish in the audit report that one-half of the rental costs were attributable to the transportation program.

This committee substitute is identical to the Assembly Committee Substitute for Assembly Bill No. 4567.