

18A:13-51 ET SEQ.

LEGISLATIVE HISTORY CHECKLIST

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Laws of 1975 Chapter 360

Bill No. A825

Sponsor(s) Salkind

Date Introduced Jan. 24, 1974

Committee: Assembly Education

Senate Education

Amended during passage Yes

amendments during passage denoted by asterisks

Date of passage: Assembly June 16, 1975

Senate Dec. 15, 1975

Date of approval March 3, 1976

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

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## ASSEMBLY, No. 825

## STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblyman SALKIND

Referred to Committee on Education

AN ACT concerning education, authorizing and providing a procedure for withdrawal from a limited purpose regional school district and supplementing Title 18A of the New Jersey Statutes.

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

1 1. The board of education of any local school district constituting  
2 part of a limited purpose regional school district or the governing  
3 body of the municipality constituting a constituent district may,  
4 by resolution, apply to the county superintendent of schools to make  
5 an investigation as to the advisability of withdrawal of such local  
6 district from the regional district.

1 2. The county superintendent shall, within 30 days after such  
2 request, file with the governing bodies of the municipalities  
3 constituting the regional district and the boards of education of  
4 all of the constituent school districts and the board of education  
5 of the regional school district a report **\*[concerning]\*** *\*containing*  
5A *a statement of the current assets and operating expenses of the*  
5B *regional district for the then current year and\** such financial,  
6 educational and other information as he may deem necessary to  
7 enable said governing bodies and local boards of education and  
8 regional board of education to form an intelligent judgment as to  
9 the advisability of the proposed withdrawal and the effect thereof  
10 upon the educational and financial condition of the withdrawing  
11 district and the regional district and setting forth the amount of  
12 indebtedness, if any, to be assumed by the withdrawing and the  
13 regional districts, calculated as hereinafter provided.

1 3. The county superintendent shall calculate the amount of in-  
2 debtedness so to be assumed on the basis of the proportion which  
3 the **\*[original]\*** *\*replacement\** cost of the bulidings, grounds,  
4 furnishings, equipment, and additions thereto of the regional dis-

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

5 trict situated in the withdrawing district bears to the \***[original]**\*  
 6 \*replacement\* cost of the buildings, grounds, furnishings, equip-  
 7 ment and additions thereto \***[of the]**\* \*situated in the entire\*  
 8 regional district \***[situated outside of the withdrawing district]**\*.  
 9 Said \***[original]**\* \*replacement\* cost shall be determined accord-  
 10 ing to rules prescribed by the commissioner with the approval of  
 11 the State board and in accordance with recognized accounting  
 12 practices. The amount of indebtedness to be assumed shall be  
 13 calculated in the same manner as is provided in article 4 of chap-  
 14 ter 8 of Title 18 of the New Jersey Statutes.

1 4. The municipal governing body or the board of education of  
 2 the withdrawing district may, within 30 days after the filing of the  
 3 report \*by the county superintendent\*, petition the commissioner  
 4 for permission to submit to the legal voters of the withdrawing  
 5 district \*and the remaining districts within the regional district\*  
 6 the question whether or not it shall so withdraw, and in such pe-  
 7 tition the board may request any specific reduction or increase in  
 8 the amount of indebtedness to be assumed as set forth in the county  
 9 superintendent's report. Proof of the service of a copy of the  
 10 petition upon the municipal governing body and the board of edu-  
 11 cation of each constituent district, the board of education of the  
 12 regional district, and the county superintendent, prior to the filing  
 13 of the petition, shall accompany the petition.

1 5. The governing body of any municipality constituting a con-  
 2 stituent district or the board of education of any such constituent  
 3 district and the board of education of the regional district shall,  
 4 within 15 days after service of a copy of the petition upon it, file an  
 5 answer thereto with the commissioner and serve a copy of such  
 6 answer upon the board of education of every other constituent  
 7 district and of the regional district and the county superintendent.  
 8 The answer shall set forth matters similar to those described in  
 9 \***[N. J. S. 18A :8-11; and, in addition, may request a delay in the**  
 10 submission of the petition and answers to the board of review for  
 11 the purpose of affording time to submit the question of withdrawal  
 12 to the voters of the municipality or school district, as the case may  
 13 be, at a nonbinding referendum, and to supplement its answer with  
 14 the results thereof]\* \*section 6 of this act\*.

1 6. Within 15 days after the filing of the answers to the petition,  
 2 \***[including any supplementary answer as the result of a referen-**  
 3 dum held pursuant to section 5,]\* the Commissioner of Education  
 4 shall submit the petition and answers to a board of review consist-  
 5 ing of the commissioner himself, as chairman, the State Treasurer

6 or his designee and the Director of the Division of Local Govern-  
 7 ment Services in the Department of Community Affairs, for a de-  
 8 termination as to whether or not the petition should be granted,  
 9 and if so, the amount of indebtedness, if any, to be assumed by  
 10 the remaining and the new district upon approval of the legal  
 11 voters of the withdrawing district *\*and the remaining districts\**  
 12 at a special school election. The board of review shall *\*consider*  
 13 *the effect of the proposed withdrawal upon the educational and*  
 14 *financial condition of the withdrawing and the remaining districts*  
 15 *and shall\** schedule and hold a public hearing on the petition upon  
 16 the application of any interested party.\* **\*[and]\*** *\*In consider-*  
 17 *ing the effect of the proposed withdrawal upon the educational*  
 18 *and financial condition of the withdrawing and remaining districts*  
 19 *the board of review shall:*

20 a. *Consent to the granting of the application; or*

21 b. *Oppose the same because, if the same be granted—*

22 1. *An excessive debt burden will be imposed upon the re-*  
 23 *maining districts, or the withdrawing district;*

24 2. *An efficient school system cannot be maintained in the*  
 25 *remaining districts or the withdrawing district without ex-*  
 26 *cessive costs;*

27 3. *Insufficient pupils will be left in the remaining districts*  
 28 *to maintain a properly graded school system; or*

29 4. *Any other reason, which it may deem to be sufficient; or*

30 c. *Request that if the petition be granted, the amount of debt*  
 31 *which the remaining districts would be required to assume, cal-*  
 32 *culated as hereinbefore provided, be reduced for the reason that—*

33 1. *Such amount of indebtedness, together with all other*  
 34 *indebtedness of the municipalities or school districts would*  
 35 *be excessive;*

36 2. *The amount of expenditure for debt service which would*  
 37 *be required would be so great that sufficient funds would not be*  
 38 *available for current expenses without excessive taxation; or*

39 3. *Such amount of indebtedness is inequitable in relation to*  
 40 *the value of the property to be acquired by the remaining dis-*  
 41 *tricts and would materially impair the credit of the municipi-*  
 42 *palities or such districts and the ability to pay punctually*  
 43 *the principal and interest of their debt and to supply such*  
 44 *essential educational facilities and public improvements and*  
 45 *services as might reasonably be anticipated would be required*  
 46 *of them.*

47 *The board of review\* shall make its \*findings and\* determina-*

48 tion, by the recorded vote of at least two of the three members of  
49 the board, within 60 days of the receipt of the petition and answers.

1 7. If the application be granted, the county superintendent shall,  
2 within 30 days thereafter, fix a day between April 1 next ensuing and  
3 December 1 next occurring after said April 1, and a time on said  
4 day for holding a special school election, at which time the question  
5 whether or not the withdrawing school district shall withdraw from  
6 the regional district shall be submitted to the legal voters of the  
7 withdrawing district *\*and to the legal voters within the remainder*  
8 *of the regional district\**.

1 8. The amount of indebtedness to be assumed by the withdrawing  
2 district and the effect of such indebtedness upon the borrowing  
3 margin of the municipality *\*[and] \* \*,\* the withdrawing district*  
4 *\*the remaining districts, and the remaining municipalities within*  
5 *the regional district\** shall be stated in the notices and advertise-  
6 ments of the special school election and in the ballots to be used  
7 therein, and said election shall be conducted and the results  
8 thereof determined in the manner prescribed by law for special  
9 school elections in type II districts. The result shall be certified  
10 within 5 days after the holding of the election to the county super-  
11 intendent and to the boards of education of the withdrawing dis-  
12 trict *\*[and] \* \*,\* the regional district \*and the constituent districts*  
13 *within the regional district\**.

1 9. If the question is adopted at said *\*[election] \* elections\**,  
2 the withdrawal of the *\*[withdrawing] \** district shall become ef-  
3 fective upon July 1 of the next ensuing school year.

1 10. The members of the board of education of the regional district  
2 shall continue in office until the withdrawal of the *\*[withdrawing] \**  
3 district has become effective. When such withdrawal has taken  
4 effect, the terms of those members of the regional board who  
5 reside in the withdrawing district shall thereupon expire, and the  
6 vacancies so occurring shall be reapportioned among the remaining  
7 districts and filled by appointment by the county superintendent to  
8 serve until the next annual school election of the regional district,  
9 at which time their successors shall be elected in accordance with  
10 such reapportionment.

1 *\*[11. On the effective date of the withdrawal, title to all school*  
2 *grounds and buildings and the furnishings and equipment thereof*  
3 *situated in the withdrawing district shall vest in the board of educa-*  
4 *tion of that district, and such board shall thereupon assume such*  
5 *amount of the indebtedness of the regional school district as shall*  
6 *have been determined upon by the board of review and shall pay*

7 to the regional board of education, at least 5 days before the same  
8 shall become due, the amount of the principal and interest of the  
9 indebtedness so assumed, and said principal and interest shall be  
10 paid by the regional board of education as and when the same  
11 becomes due and payable.】\*

1     \*11. *The withdrawing district and the remaining districts shall*  
2 *take title to and control of all school grounds and buildings, and*  
3 *the furnishings and equipment therein, other than those which had*  
4 *been rotated or shared among the regional schools, situated in*  
5 *their respective districts when the commissioner shall certify to*  
6 *each board that suitable facilities and accommodations have been*  
7 *made available for the instruction of the pupils in each district.*  
8 *However, the districts shall not take title and control of grounds,*  
9 *buildings, furnishings and equipment before July 1 of the calen-*  
10 *dar year next following the date of the special election, except by*  
11 *agreement of the districts and with the approval of the commis-*  
12 *sioner. The county superintendent shall allot a fair proportion of*  
13 *the shared or rotated furnishings and equipment to the withdraw-*  
14 *ing district.*

15     *Upon the assumption of title, each board shall also assume such*  
16 *amount of the indebtedness of the original regional school district*  
17 *as shall have been determined by the board of review. The with-*  
18 *drawing district shall pay to the regional board of education, at*  
19 *least 5 days before it becomes due, the amount of the principal*  
20 *and interest of the assumed indebtedness; such principal and*  
21 *interest shall be paid by the regional board, together with such*  
22 *amount due on its assumed indebtedness, at and when it becomes*  
23 *due and payable.\**

1     12. The county superintendent in a written report filed by him at  
2 the end of the school year preceding that in which the withdrawal  
3 becomes effective shall make a division of the assets and liabilities  
4 between the withdrawing district and the regional district in the  
5 same manner as provided in N. J. S. 18A :8-24.

1     13. If as a result of the foregoing procedures a limited purpose  
2 regional school district shall be left with only one constituent local  
3 school district, such regional school district shall be dissolved upon  
4 the effective date of the withdrawal of the other constituent school  
5 districts, and such remaining constituent municipality shall thence-  
6 forth be constituted a separate local school district and governed  
7 by the laws applicable thereto. If all of the local districts withdraw  
8 from the regional district, such regional district shall be dissolved  
9 upon the effective date of the last withdrawal, and its assets and

10 liabilities shall devolve upon the respective withdrawing districts  
11 in accordance with the division made by the county superintendent  
12 as provided in section 12 hereof.

1    \*14. All employees of the regional district shall continue in their  
2 respective positions in the withdrawing district and all of their  
3 rights of tenure, seniority, pension, leave of absence and other  
4 similar benefits shall be recognized and preserved and any periods  
5 of prior employment in the regional district shall count toward  
6 the acquisition of tenure to the same extent as if all such employ-  
7 ment had been under the withdrawing district. Any tenured em-  
8 ployee in a school located in the withdrawing district who desires  
9 to remain in the employ of the regional district, and whose senior-  
10 ity under existing tenure laws so permits, may apply for and shall  
11 be granted a transfer to a position with the regional district for  
12 which he is certified which is vacant, held by a tenured employee  
13 with less seniority or by an employee without tenure; applications  
14 for such transfers shall be made within 45 days of the date of the  
15 special school election at which the withdrawal was approved.

1    15. Nothing contained herein shall in any way effect the rights  
2 of holders of any bonds issued by any school district or munici-  
3 pality effected pursuant to this act.\*

1    \*[14.]\* \*16.\* This act shall take effect immediately.

ASSEMBLY, No. 825

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1974

By Assemblyman SALKIND

Referred to Committee on Education

AN ACT concerning education, authorizing and providing a procedure for withdrawal from a limited purpose regional school district and supplementing Title 18A of the New Jersey Statutes.

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

1 1. The board of education of any local school district constituting  
2 part of a limited purpose regional school district or the governing  
3 body of the municipality constituting a constituent district may,  
4 by resolution, apply to the county superintendent of schools to make  
5 an investigation as to the advisability of withdrawal of such local  
6 district from the regional district.

1 2. The county superintendent shall, within 30 days after such  
2 request, file with the governing bodies of the municipalities  
3 constituting the regional district and the boards of education of  
4 all of the constituent school districts and the board of education  
5 of the regional school district a report concerning such financial,  
6 educational and other information as he may deem necessary to  
7 enable said governing bodies and local boards of education and  
8 regional board of education to form an intelligent judgment as to  
9 the advisability of the proposed withdrawal and the effect thereof  
10 upon the educational and financial condition of the withdrawing  
11 district and the regional district and setting forth the amount of  
12 indebtedness, if any, to be assumed by the withdrawing and the  
13 regional districts, calculated as hereinafter provided.

1 3. The county superintendent shall calculate the amount of in-  
2 debtedness so to be assumed on the basis of the proportion which  
3 the original cost of the buildings, grounds, furnishings, equipment,  
4 and additions thereto of the regional district situated in the with-  
5 drawing district bears to the original cost of the buildings, grounds,  
6 furnishings, equipment and additions thereto of the regional dis-  
7 trict situated outside of the withdrawing district. Said original



8 cost shall be determined according to rules prescribed by the com-  
9 missioner with the approval of the State board and in accordance  
10 with recognized accounting practices. The amount of indebtedness  
11 to be assumed shall be calculated in the same manner as is provided  
12 in article 4 of chapter 8 of Title 18 of the New Jersey Statutes.

1 4. The municipal governing body or the board of education of  
2 the withdrawing district may, within 30 days after the filing of the  
3 report, petition the commissioner for permission to submit to the  
4 legal voters of the withdrawing district the question whether or  
5 not it shall so withdraw, and in such petition the board may request  
6 any specific reduction or increase in the amount of indebtedness  
7 to be assumed as set forth in the county superintendent's report.  
8 Proof of the service of a copy of the petition upon the municipal  
9 governing body and the board of education of each constituent  
10 district, the board of education of the regional district, and the  
11 county superintendent, prior to the filing of the petition, shall  
12 accompany the petition.

1 5. The governing body of any municipality constituting a con-  
2 stituent district or the board of education of any such constituent  
3 district and the board of education of the regional district shall,  
4 within 15 days after service of a copy of the petition upon it, file an  
5 answer thereto with the commissioner and serve a copy of such  
6 answer upon the board of education of every other constituent  
7 district and of the regional district and the county superintendent.  
8 The answer shall set forth matters similar to those described in  
9 N. J. S. 18A:8-11; and, in addition, may request a delay in the  
10 submission of the petition and answers to the board of review for  
11 the purpose of affording time to submit the question of withdrawal  
12 to the voters of the municipality or school district, as the case may  
13 be, at a nonbinding referendum, and to supplement its answer with  
14 the results thereof.

1 6. Within 15 days after the filing of the answers to the petition,  
2 including any supplementary answer as the result of a referendum  
3 held pursuant to section 5, the Commissioner of Education shall  
4 submit the petition and answers to a board of review consisting of  
5 the commissioner himself, as chairman, the State Treasurer or his  
6 designee and the Director of the Division of Local Government  
7 Services in the Department of Community Affairs, for a determina-  
8 tion as to whether or not the petition should be granted, and if so,  
9 the amount of indebtedness, if any, to be assumed by the remaining  
10 and the new district upon approval of the legal voters of the with-  
11 drawing district at a special school election. The board of review  
12 shall schedule and hold a public hearing on the petition upon the

13 application of any interested party and shall make its determina-  
14 tion, by the recorded vote of at least two of the three members of  
15 the board, within 60 days of the receipt of the petition and answers.

1 7. If the application be granted, the county superintendent shall,  
2 within 30 days thereafter, fix a day between April 1 next ensuing and  
3 December 1 next occurring after said April 1, and a time on said  
4 day for holding a special school election, at which time the question  
5 whether or not the withdrawing school district shall withdraw from  
6 the regional district shall be submitted to the legal voters of the  
7 withdrawing district.

1 8. The amount of indebtedness to be assumed by the withdrawing  
2 district and the effect of such indebtedness upon the borrowing  
3 margin of the municipality and the withdrawing district shall be  
4 stated in the notices and advertisements of the special school elec-  
5 tion and in the ballots to be used therein, and said election shall be  
6 conducted and the results thereof determined in the manner pre-  
7 scribed by law for special school elections in type II districts. The  
8 result shall be certified within 5 days after the holding of the elec-  
9 tion to the county superintendent and to the boards of education of  
10 the withdrawing district and the regional district.

1 9. If the question is adopted at said election, the withdrawal of  
2 the withdrawing district shall become effective upon July 1 of the  
3 next ensuing school year.

1 10. The members of the board of education of the regional district  
2 shall continue in office until the withdrawal of the withdrawing  
3 district has become effective. When such withdrawal has taken  
4 effect, the terms of those members of the regional board who  
5 reside in the withdrawing district shall thereupon expire, and the  
6 vacancies so occurring shall be reapportioned among the remaining  
7 districts and filled by appointment by the county superintendent to  
8 serve until the next annual school election of the regional district,  
9 at which time their successors shall be elected in accordance with  
10 such reapportionment.

1 11. On the effective date of the withdrawal, title to all school  
2 grounds and buildings and the furnishings and equipment thereof  
3 situated in the withdrawing district shall vest in the board of educa-  
4 tion of that district, and such board shall thereupon assume such  
5 amount of the indebtedness of the regional school district as shall  
6 have been determined upon by the board of review and shall pay  
7 to the regional board of education, at least 5 days before the same  
8 shall become due, the amount of the principal and interest of the  
9 indebtedness so assumed, and said principal and interest shall be

10 paid by the regional board of education as and when the same  
11 becomes due and payable.

1 12. The county superintendent in a written report filed by him at  
2 the end of the school year preceding that in which the withdrawal  
3 becomes effective shall make a division of the assets and liabilities  
4 between the withdrawing district and the regional district in the  
5 same manner as provided in N. J. S. 18A:8-24.

1 13. If as a result of the foregoing procedures a limited purpose  
2 regional school district shall be left with only one constituent local  
3 school district, such regional school district shall be dissolved upon  
4 the effective date of the withdrawal of the other constituent school  
5 districts, and such remaining constituent municipality shall thence-  
6 forth be constituted a separate local school district and governed  
7 by the laws applicable thereto. If all of the local districts withdraw  
8 from the regional district, such regional district shall be dissolved  
9 upon the effective date of the last withdrawal, and its assets and  
10 liabilities shall devolve upon the respective withdrawing districts  
11 in accordance with the division made by the county superintendent  
12 as provided in section 12 hereof.

1 14. This act shall take effect immediately.

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Sponsor's STATEMENT

This bill would provide a procedure for withdrawal from a regional school district. No such procedure is presently provided by law.

ASSEMBLY COMMITTEE AMENDMENTS TO  
**ASSEMBLY, No. 825**

**STATE OF NEW JERSEY**

ADOPTED MAY 5, 1975

Amend page 1, section 2, line 5, omit "concerning", insert "containing a statement of the current assets and operating expenses of the regional district for the then current year and".

Amend page 1, section 3, line 3, omit "original", insert "replacement".

Amend page 1, section 3, line 5, omit "original", insert "replacement".

Amend page 1, section 3, line 6, after "thereto", omit "of the", insert "situated in the entire".

Amend page 1, section 3, lines 6-7, after "district", omit "situated outside of the withdrawing district".

Amend page 1, section 3, line 7, after "said", omit "original", and insert "replacement".

Amend page 2, section 4, line 3, after "report", insert "by the county superintendent".

Amend page 2, section 4, line 4, after "district", insert "and the remaining districts within the regional district".

Amend page 2, section 5, line 9, omit lines 9 through 14, insert section 6 of this act".

Amend page 2, section 6, line 2, omit in its entirety.

Amend page 2, section 6, line 3, omit "held pursuant to section 5,".

Amend page 2, section 6, line 11, after "district", insert "and the remaining districts".

Amend page 2, section 6, line 12, after "shall", insert "consider the effect of the proposed withdrawal upon the educational and financial condition of the withdrawing and the remaining districts and shall".

Amend page 3, section 6, line 13, after "party", insert "."; omit "and", insert "In considering the effect of the proposed withdrawal upon the educational and financial condition of the withdrawing and remaining districts the board of review shall:

- a. Consent to the granting of the application; or
- b. Oppose the same because, if the same be granted—

1. An excessive debt burden will be imposed upon the remaining districts, or the withdrawing district;

2. An efficient school system cannot be maintained in the remaining districts or the withdrawing district without excessive costs;

3. Insufficient pupils will be left in the remaining districts to maintain a properly graded school system; or

4. Any other reason, which it may deem to be sufficient; or

c. Request that if the petition be granted, the amount of debt which the remaining districts would be required to assume, calculated as hereinbefore provided, be reduced for the reason that—

1. Such amount of indebtedness, together with all other indebtedness of the municipalities or school districts would be excessive;

2. The amount of expenditure for debt service which would be required would be so great that sufficient funds would not be available for current expenses without excessive taxation; or

3. Such amount of indebtedness is inequitable in relation to the value of the property to be acquired by the remaining districts and would materially impair the credit of the municipalities or such districts and the ability to pay punctually the principal and interest of their debt and to supply such essential educational facilities and public improvements and services as might reasonably be anticipated would be required of them. The board of review”.

Amend page 3, section 6, line 13, after “its”, insert “findings and”.

Amend page 3, section 7, line 7, after “district”, insert “and to the legal voters within the remainder of the regional district”.

Amend page 3, section 8, line 3, omit “and”, insert “,”; after “district”, insert “the remaining districts, and the remaining municipalities within the regional district”.

Amend page 3, section 8, line 10, omit “and”, insert “,”; after “district”, insert “, and the constituent districts within the regional district”.

Amend page 3, section 9, line 1, omit “election”, insert “elections”.

Amend page 3, section 9, line 2, omit “withdrawing”.

Amend page 3, section 10, line 2, omit “withdrawing”.

Amend page 3, section 11, line 1, omit lines 1-11, insert:

“11. The withdrawing district and the remaining districts shall take title to and control of all school grounds and buildings, and the furnishings and equipment therein, other than those which had been rotated or shared among the regional schools, situated in their respective districts when the commissioner shall certify to each board that suitable facilities and accommodations have been made available for the instruction of the pupils in each district. However, the districts shall not take title and control of grounds, buildings, furnishings and equip-

ment before July 1 of the calendar year next following the date of the special election, except by agreement of the districts and with the approval of the commissioner. The county superintendent shall allot a fair proportion of the shared or rotated furnishings and equipment to the withdrawing district.

Upon the assumption of title, each board shall also assume such amount of the indebtedness of the original regional school district as shall have been determined by the board of review. The withdrawing district shall pay to the regional board of education, at least 5 days before it becomes due, the amount of the principal and interest of the assumed indebtedness; such principal and interest shall be paid by the regional board, together with such amount due on its assumed indebtedness, at and when it becomes due and payable.”.

Amend page 4, section 13, after line 12, insert new sections 14 and 15 as follows:

“14. All employees of the regional district shall continue in their respective positions in the withdrawing district and all of their rights of tenure, seniority, pension, leave of absence and other similar benefits shall be recognized and preserved and any periods of prior employment in the regional district shall count toward the acquisition of tenure to the same extent as if all such employment had been under the withdrawing district. Any tenured employee in a school located in the withdrawing district who desires to remain in the employ of the regional district, and whose seniority under existing tenure laws so permits, may apply for and shall be granted a transfer to a position with the regional district for which he is certified which is vacant, held by a tenured employee with less seniority or by an employee without tenure; applications for such transfers shall be made within 45 days of the date of the special school election at which the withdrawal was approved.”.

15. Nothing contained herein shall in any way effect the rights of holders of any bonds issued by any school district or municipality effected pursuant to this act.”.

Amend page 4, section 14, line 1, renumber section 14 as section 16.

COPY

SENATE EDUCATION COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 825**

with Assembly committee amendments

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**STATE OF NEW JERSEY**

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DATED: OCTOBER 6, 1975

Currently, there is no procedure whereby a constituent district may withdraw from a regional district. Assembly Bill No. 825 sets forth the conditions and procedures for a constituent district to withdraw from a limited purpose regional school district.

The withdrawal procedure in this bill incorporates four basic steps:

1. *Investigation by the County Superintendent of Schools*—After a constituent district applies for withdrawal from a regional district, the county superintendent is required to investigate and submit a report to the commissioner concerning all pertinent financial and educational information relative to the withdrawal.

2. *Determining the share of bonded indebtedness to be assumed by the withdrawing district and the remaining districts*—The share of indebtedness will be apportioned on the basis of the value of buildings located in the withdrawing district expressed as a percentage of the total replacement cost value of buildings within the entire regional district; e.g., if a district has 15% of the total "building" wealth within the regional district, it will assume 15% of the bonded indebtedness of the regional district.

3. *Conditions for withdrawal reviewed by a board*—Three major conditions must be satisfied prior to approval by the board of review which is composed of the commissioner, as chairman, the State treasurer, or his designee, and the Director of the Division of Local Government Services. The conditions are as follows:

a. Withdrawal must not impose an excessive debt burden upon the remaining district;

b. Withdrawal must not reduce the efficiency of the school system to the extent that the remaining districts will be burdened by excessive costs; and

c. Withdrawal must not create a situation where there is an insufficient number of children to maintain a properly graded school system.

If there is good cause for the withdrawal, yet, in the opinion of the review board, the withdrawal might impose a fiscal burden upon the remaining districts by creating excessive indebtedness, creating excessive taxes, or withdrawing ratables that would reduce the equalized valuation per pupil, the board of review is empowered to increase the withdrawing district's share of the indebtedness.

Further, since the "apportionment of debt" formula is based upon the value of the buildings within the withdrawing district expressed as a percentage of the total buildings within the regional district, in the event that there are no buildings within the withdrawing district and the withdrawal would significantly reduce the "equalized valuation per pupil," it is the judgment of the Senate Education Committee that the intent of this provision would empower the board of review to adjust the apportionment of indebtedness by requiring the withdrawing district to assume a certain share of the indebtedness.

4. *Referendums concerning withdrawal*—If the review board grants the withdrawal, with or without a penalty, the question will be submitted to the voters separately in the individual withdrawing district or districts and to the voters in the remaining districts as a whole.

In addition, the bill provides for: (1) the transfer of teachers who may wish to stay in the remaining regional district; (2) a provision for the distribution of property between the withdrawing district and the remaining districts; and (3) a provision protecting the rights of holders of any bonds issued by any of the municipalities or school districts affected by this act.