

**18A:13-47.1 to 18A:13-47.11 et al
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2021 **CHAPTER:** 402

NJSA: 18A:13-47.1 to 18A:13-47.11 et al (Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.)

BILL NO: S3488 (Substituted for A5537 (2R))

SPONSOR(S) Sweeney, Stephen M. and others

DATE INTRODUCED: 2/23/2021

COMMITTEE: **ASSEMBLY:** Education
 Appropriations

SENATE: Education
 Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 1/10/2022

SENATE: 12/20/2021

DATE OF APPROVAL: 1/18/2022

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Third Reprint enacted)	Yes	
S3488		
INTRODUCED BILL (INCLUDES SPONSOR’S STATEMENT):	Yes	
COMMITTEE STATEMENT:	ASSEMBLY: Yes	Education Appropriations
	SENATE: Yes	Education Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	3/24/2021 3/29/2021 6/24/2021 12/21/2021

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT):	Yes	
COMMITTEE STATEMENT:	ASSEMBLY:	Yes Education Appropriations
	SENATE:	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes 6/21/2021 6/24/2021

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/JA

Title 18A.
Chapter 13.
BB. (New)
Financial
Incentives to
Form or Enlarge
Regional Districts
§§1-11
C.18A:13-47.1 to
18A:13-47.11
§12
C.18A:13-34.3
§13
C.18A:13-35.1
§14
C.18A:13-44.1
§§15-17
C.18A:13-33.1 to
18A:13-33.3
§18
C.18A:13-34b
§19
C.18A:13-46.2

P.L. 2021, CHAPTER 402, *approved January 18, 2022*
Senate, No. 3488 (Third Reprint)

1 AN ACT concerning school district regionalization, amending
2 various parts of the statutory law, and supplementing chapter 13
3 of Title 18A of the New Jersey Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) As used in sections 2 through 8 of
9 P.L. , c. (C.) (pending before the Legislature as this bill):

10 “Board of education” means and includes the board of education
11 of a local school district, consolidated school district, non-operating
12 school district, and the board of education of a limited purpose or
13 all purpose regional district.

14 “Division” means the Division of Local Government Services in
15 the Department of Community Affairs.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted March 22, 2021.

²Assembly AAP committee amendments adopted June 16, 2021.

³Senate amendments adopted in accordance with Governor's recommendations December 2, 2021.

1 “Governing body” means and includes, in the event that a school
2 district enumerated herein does not have a board of education, the
3 governing body of a local school district, ¹a municipality
4 constituting part of a¹ consolidated school district, and the
5 governing body of a municipality constituting a constituent district
6 of a limited purpose or all purpose regional district.

7 “Participating district” means a school district whose board of
8 education or governing body, as applicable, by resolution certifies a
9 commitment to participate in a feasibility study submitted as part of
10 an application under the grant program established pursuant to
11 section 2 of P.L. , c. (C.) (pending before the Legislature
12 as this bill).

13 “School district” means and includes a local school district,
14 consolidated school district, non-operating school district, a
15 constituent school district, and a limited purpose or all purpose
16 regional district.

17
18 2. (New section) The Division of Local Government Services in
19 the Department of Community Affairs shall establish a grant
20 program, within the limit of funds appropriated or otherwise made
21 available for the program, the purpose of which shall be to provide
22 for the reimbursement of eligible costs associated with conducting
23 feasibility studies that support the creation of meaningful and
24 implementable plans to form or expand regional school districts.

25 ²The division shall retain one percent of funds appropriated or
26 otherwise made available for the program for the purpose of
27 offsetting the expenses related to the administration of the
28 program.² In addition to funds being made available to boards of

29 education and governing bodies seeking to conduct feasibility
30 studies after the date of enactment of P.L. , c. (C.)
31 (pending before the Legislature as this bill), funds under the grant
32 program shall be made available to:

33 a. the boards of education or governing bodies of two or more
34 school districts which have conducted within two years prior to the
35 enactment of P.L. , c. (C.) (pending before the Legislature
36 as this bill) a feasibility study for which no prior reimbursement
37 was made; and

38 b. the boards of education or governing bodies of two or more
39 school districts that are in the process of conducting a feasibility
40 study as of the date of enactment of P.L. , c. (C.) (pending
41 before the Legislature as this bill).

42
43 3. (New section) a. The boards of education or governing
44 bodies of two or more school districts seeking to form a limited
45 purpose or all purpose regional district and that wish to apply for
46 funding under the grant program established pursuant to section 2
47 of P.L. , c. (C.) (pending before the Legislature as this bill)
48 shall jointly submit an application to the division. The application

1 shall identify and designate at least one project coordinator from
2 one or more participating districts who shall be responsible for
3 overseeing the activities associated with conducting the feasibility
4 study proposed under the application and for fulfilling any
5 requirements prescribed by the division in the receipt of a grant
6 under the program. The application shall also include:

7 (1) copies of the resolutions adopted by all participating boards
8 of education or governing bodies, as applicable, certifying a
9 commitment to participate in a feasibility study. An application
10 may propose a feasibility study that would include an analysis of
11 the inclusion of non-participating districts in a proposed regional
12 district, in which case the application shall state that the feasibility
13 study will present findings and recommendations related both to the
14 consolidation of participating districts into a regional district and
15 alternative findings and recommendations contingent upon the
16 inclusion of the non-participating districts;

17 (2) a detailed narrative describing the proposed regionalization
18 plan or plans to be studied, as well as potential areas for educational
19 and fiscal improvement. The feasibility study shall include, but
20 need not be limited to, options to address issues related to:

21 (a) facility utilization;

22 (b) cost sharing and methods of apportionment, including but
23 not limited to, equalized valuation, pupil enrollment, or a
24 combination of the two as well as whether such apportionment
25 should take effect immediately or on a phase-in or transitional basis
26 over a certain number of years;

27 (c) the allocation of existing school debt and proceeds from the
28 sale of unutilized or underutilized facilities;

29 (d) projected enrollment trends, including the impact on the
30 demographic breakdown of the student population, including race,
31 ethnicity, and national origin, and projected changes in class size;

32 (e) current and projected staffing needs and costs, including
33 retirement and attrition trends for instructional, administrative, and
34 support staff;

35 (f) an analysis of the differences in the salaries and terms and
36 conditions of employment in elementary, middle, and high school
37 teachers', administrators', and support staffs' contracts among the
38 various districts and the distribution of all compensation among
39 covered employees, including the potential impact of expired
40 contracts moving forward,¹ which analysis shall be developed by
41 school districts and the majority representatives of all recognized
42 bargaining units;

43 (g) State aid and tax revenue projections;

44 (h) potential cost savings ¹or increases¹ from regionalization;

45 (i) student seat time and distance traveled, as well as potential
46 increased or reduced transportation costs;

47 (j) kindergarten through 12 curriculum coordination
48 improvements;

- 1 (k) potential¹ enrichment of educational programs for students;
2 and
- 3 (l) calculation and methods of apportionment for determining
4 membership on the regional district board of education among the
5 constituent districts;
- 6 (3) a description of the intended use of grant funding in
7 supporting the costs associated with conducting the feasibility
8 study;
- 9 (4) a demonstration of the boards' or governing bodies'
10 capacities to oversee the proposed feasibility study;
- 11 (5) a list of personnel or outside consultants who would be
12 conducting the feasibility study, which consultants shall be selected
13 in accordance with applicable State law;
- 14 (6) a plan to incorporate public and stakeholder participation
15 and ideas in the regionalization study process, which shall include
16 school board members, parents, teachers, administrators, non-
17 instructional staff, union representatives, municipal officials, and
18 interested citizens; and
- 19 (7) any other materials or information as may be required by the
20 division to effectively evaluate the proposed feasibility study and
21 assess the costs associated with conducting the feasibility study.
- 22 b. In order to be eligible to receive a grant under the grant
23 program established pursuant to section 2 of P.L. , c. (C.)
24 (pending before the Legislature as this bill), the boards of education
25 or governing bodies shall demonstrate that the proposed
26 regionalization:
- 27 (1) does not², and is not foreseeably likely to,² increase or
28 exacerbate the segregation of students ²by racial, socioeconomic,
29 disability, or English Language Learner status as determined by the
30 number and percentage of students² enrolled in the school districts
31 seeking to consolidate or, as applicable, in the school districts from
32 which a school district is seeking to withdraw ²[by racial, socio-
33 economic, disability, or English Language Learner status]²;
- 34 (2) to the maximum extent practicable, will lead to the
35 establishment of a limited purpose or all purpose regional district;
- 36 (3) consolidates school districts that are in close geographic
37 proximity of each other. School districts need not be immediately
38 contiguous as long as any geographic separation is not so large as to
39 contradict the potential for improved efficiency and cost savings;
- 40 (4) possesses the potential for improved efficiency and cost
41 savings;
- 42 (5) possesses the potential to advance an enhanced learning
43 environment for participating districts;
- 44 (6) coordinates curriculum across schools and grades throughout
45 the proposed limited purpose or all purpose regional school; and
- 46 (7) reflects a documented commitment from the participating
47 districts to make good faith efforts to implement the

1 recommendations of the feasibility study that promote efficiency
2 and quality of education.

3 c. The Commissioner of Education shall review every
4 application submitted pursuant to this section, except for an
5 application eligible for preliminary approval pursuant to subsection
6 b. of section 4 of P.L. , c. (C.) (pending before the
7 Legislature as this bill), and shall certify, in writing, that the newly
8 formed or enlarged regional district will not², and will not be
9 foreseeably likely to,² increase or exacerbate segregation among the
10 districts seeking to regionalize or, as applicable, the ¹**[schools]**
11 school¹ districts from which a school district is seeking to withdraw
12 ²and school districts in the surrounding region as determined by the
13 number and percentage of students affected by such consolidations
14 or withdrawals².

15
16 4. (New section) a. The division shall review all applications
17 submitted pursuant to section 3 of P.L. , c. (C.) (pending
18 before the Legislature as this bill) and shall only approve
19 applications that meet the eligibility criteria set forth in subsection
20 b. of section 3 of P.L. , c. (C.) (pending before the
21 Legislature as this bill) and that are certified by the commissioner
22 pursuant to subsection c. of section 3 of P.L. , c. (C.)
23 (pending before the Legislature as this bill). Boards of education or
24 governing bodies whose applications are denied approval for a grant
25 shall be provided a notice describing the reasons for the denial and
26 the applicant shall be afforded an opportunity for a hearing before
27 an administrative law judge to contest the decision, which shall
28 conform with the provisions applicable to such contested cases in
29 this State as set forth in statute and regulation.

30 b. The division may grant preliminary approval of an
31 application submitted by the boards of education or governing
32 bodies of two or more school districts pursuant to section 3 of
33 P.L. , c. (C.) (pending before the Legislature as this bill) if
34 the division determines that the application contains sufficient
35 evidence to demonstrate that the proposed regionalization complies
36 with the criteria enumerated in subsection b. of section 3 of P.L. ,
37 c. (C.) (pending before the Legislature as this bill) and is
38 proposing to:

- 39 (1) form a countywide school district; or
40 (2) form an all purpose regional district by expanding an
41 existing limited purpose regional district through consolidation with
42 some or all of the constituent school districts of the existing limited
43 purpose regional district.

44 The division shall establish guidelines governing preliminary
45 approval of applications submitted pursuant to this subsection. A
46 participating district that is part of an application that receives
47 preliminary approval under this subsection and that has a State aid

1 differential that is positive may elect to receive State school aid
2 pursuant to the schedule established in paragraph (4) of subsection
3 c. of section 4 of P.L.2018, c.67 (C.18A:7F-68).

4 c. Boards of education or governing bodies receiving
5 application approval pursuant to this section shall be reimbursed for
6 any eligible costs of the feasibility study up to an amount or
7 percentage to be annually determined by the division, with 50
8 percent of the grant award to be distributed upon the division's final
9 approval of the grant application and the remaining 50 percent of
10 the grant award to be distributed upon the division's acceptance of
11 the completed feasibility study. Boards of education or governing
12 bodies receiving application approval pursuant to subsection a. of
13 this section, which have conducted within two years prior to the
14 enactment of P.L. , c. (C.) (pending before the Legislature
15 as this bill) a feasibility study for which no prior reimbursement
16 was made, shall be eligible for reimbursement up to an amount or
17 percentage to be determined by the division of any costs associated
18 with conducting the study upon execution of the regionalization
19 outlined in the boards' or governing bodies' application. The
20 division shall also annually determine the costs that are eligible and
21 ineligible for reimbursement under this section.

22

23 5. (New section) a. Notwithstanding the provisions of section
24 2 of P.L.1995, c.294 (C.18A:6-31.4) or of any other law, rule, or
25 regulation to the contrary, whenever a regional district is formed
26 following the approval of an application pursuant to section 4 of
27 P.L. , c. (C.) (pending before the Legislature as this bill):

28 (1) the salary guide and terms and conditions of employment,
29 whether established through a collective negotiations agreement or
30 past practice, of the largest constituent school district shall apply in
31 full after three years following the formation of the regional district
32 or until a successor agreement is negotiated with the majority
33 representative of the new school district, whichever occurs
34 first. The salary guide and terms and conditions of employment
35 that will apply pursuant to the provisions of this subsection shall be
36 based upon the terms and conditions of employment of the largest
37 constituent district made up of only the identical grade levels. In
38 the event that there is no constituent district made up of only the
39 identical grade levels, the salary guide and terms and conditions of
40 employment that will apply pursuant to the provisions of this
41 subsection shall be **'[provided]'** based upon the terms and
42 conditions of employment of the largest constituent district
43 containing the identical grade levels; and

44 (2) in the event that there is an employee bargaining unit in a
45 constituent school district with the next largest number of
46 employees and with a majority representative of the unit, which is
47 not so represented in the largest school district, the terms and
48 conditions of employment for all employees holding positions in

1 that unit in the newly formed regional district shall apply provided
2 that the terms and conditions of employment shall only apply to the
3 newly formed regional district's employees in that bargaining unit.

4 b. Notwithstanding the provisions of the “New Jersey
5 Employer-Employee Relations Act,” P.L.1941, c.100 (C.34:13A-
6 1 et seq.) or of any other law, rule, or regulation to the contrary,
7 whenever a regional district is formed following the approval of an
8 application pursuant to section 4 of P.L. , c. (C.) (pending
9 before the Legislature as this bill), the newly formed regional
10 district shall recognize ¹the each¹ majority representative of the
11 ¹classification of employees existing bargaining units¹ in the
12 largest constituent district as the majority ¹representative
13 representatives¹ of those ¹separate bargaining units of¹ employees,
14 except that if the largest constituent district does not ¹represent
15 that have a majority representative currently representing a¹
16 classification of employees, then the majority representative of the
17 next largest constituent district that represents ¹a bargaining unit
18 representing¹ that classification of employees shall be recognized
19 by the newly formed regional district as the majority representative
20 of that classification of employees.

21 c. ¹Notwithstanding any law, rule, or regulation to the contrary,
22 beginning on the date upon which a school district submits an
23 application pursuant to section 3 of P.L. , c. (C.) (pending
24 before the Legislature as this bill), the boards of education or
25 governing bodies of any affected, constituent, replaced, displaced,
26 or dissolved districts shall not enter into a subcontracting agreement
27 which affects the employment of any employees in a collective
28 bargaining unit represented by a majority representative until the
29 date that the newly formed or existing limited purpose or all
30 purpose regional district commences operations following the
31 completion of the dissolution, displacement, merger,
32 regionalization, or consolidation of the constituent districts at which
33 time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) shall
34 control.

35 d.¹ As used in this section, “largest constituent school district”
36 means the school district that employs the largest number of
37 teaching staff members.

38

39 6. (New section) The Department of Education shall reimburse
40 participating districts for any costs incurred to hold an election to
41 establish or enlarge a limited purpose or all purpose regional district
42 provided that the decision to establish or enlarge a limited purpose
43 or all purpose regional district stems from the completion of a
44 feasibility study conducted in connection with the grant program
45 established pursuant to section 2 of P.L. , c. (C.) (pending
46 before the legislature as this bill).

1 7. (New section) The Division of Local Government Services in
2 the Department of Community Affairs shall provide notice to the
3 Senate President, the Speaker of the General Assembly, the
4 Minority Leader of the Senate, and the Minority Leader of the
5 General Assembly upon the division's receipt of an application for
6 a grant award submitted pursuant to section ¹~~[4]~~ ³ of P.L. ,
7 c. (C.) (pending before the Legislature as this bill). The
8 notice shall be provided within 15 days of the division's receipt of
9 the application and shall include information identifying each
10 applicant seeking a grant award.

11
12 8. (New section) The Division of Local Government Services in
13 the Department of Community Affairs, in consultation with the
14 Department of Education, shall submit a report on the
15 implementation of the grant program established pursuant to section
16 2 of P.L. , c. (C.) (pending before the Legislature as this
17 bill) to the Governor, and to the Legislature pursuant to section 2 of
18 P.L.1991, c.164 (C.52:14-19.1) within one year following the date
19 of enactment of P.L. , c. (C.) (pending before the
20 Legislature as this bill) and annually thereafter. The report shall
21 include, but not be limited to:

22 a. an analysis of the grant program identifying:

23 (1) the boards of education or governing bodies that applied for
24 a grant;

25 (2) the boards of education or governing bodies that were
26 awarded a grant;

27 (3) the amount of each grant awarded;

28 (4) the availability of any funds remaining under the grant
29 program; ²~~[and]~~²

30 (5) the reasoning behind the denial of any grant application;
31 ²~~and~~

32 (6) an analysis of the effects of consolidations or withdrawals,
33 or both, on the opportunities for students to attend schools that are
34 integrated by race, socioeconomic, disability, and English Language
35 Learner status;²

36 b. a description of the experience of the boards of education or
37 governing bodies that applied and were approved for grant funding,
38 including the status and analysis of any feasibility studies
39 conducted with grant funding;

40 c. information on whether any grant recipients completed
41 regionalization;

42 d. an analysis of any legal, financial, educational, or other
43 factors that either facilitated or impeded the expansion or creation
44 of a regional district by participating districts including, but not
45 limited to, recommendations to existing State laws or regulations
46 that would remove impediments to regionalization; and

47 e. recommendations as to the feasibility and advisability of
48 expanding the grant program.

1 9. (New section) Notwithstanding any law, rule, or regulation to
2 the contrary, whenever the salary guide and terms and conditions of
3 employment of one or more school districts seeking to join a newly
4 formed or existing limited purpose or all purpose regional district is
5 set to expire upon the formation of the new regional district, the
6 school district may:

7 a. elect to adopt the expiring salary guide and terms and
8 conditions of employment for a period not to exceed one year or
9 until a successor agreement is negotiated with the majority
10 representative of the new regional district, whichever occurs first;
11 or

12 b. elect to adopt the salary guide and terms and conditions of
13 employment of the largest comparable district joining the new
14 regional district.

15

16 10. (New section) Notwithstanding section 3 of P.L.1995, c.294
17 (C.18A:6-31.5) or any other law, rule, or regulation to the contrary,
18 whenever a limited purpose or all purpose regional district is
19 formed or enlarged, the tenure and seniority rights of all employees
20 from the affected, constituent, replaced, displaced, or dissolved
21 districts, except for employees who are superintendents without
22 prior underlying tenure and seniority rights in the affected,
23 constituent, replaced, displaced, or dissolved districts, which form
24 or are a part of, or are affected, replaced, or displaced by the newly
25 formed or enlarged limited purpose or all purpose regional district,
26 shall be recognized and preserved by the newly formed or enlarged
27 limited purpose or all purpose regional district and all periods of
28 employment in any of the school districts shall count toward
29 acquisition of tenure and seniority in the newly formed or enlarged
30 limited purpose or all purpose regional district. All statutory and
31 contractual rights to accumulated sick leave, leave of absence, and
32 pension of an employee that have been acquired through
33 employment in any of the districts shall be recognized by the newly
34 formed or enlarged limited purpose or all purpose regional district.
35 Notwithstanding the provisions of this section or any other law,
36 rule, or regulation to the contrary, whenever a limited purpose or
37 all-purpose regional district is formed or enlarged, any employee
38 not covered by statutory seniority rights shall be placed on a
39 seniority list in accordance with the employee's years of
40 employment in any of the constituent districts for the purposes of
41 employment.

42

43 11. (New section) a. Notwithstanding any other law, rule, or
44 regulation to the contrary, a board of education of a local school
45 district or of a local school district constituting part of a limited
46 purpose regional district, the 'board of education or' governing
47 body of a non-operating school district, or the governing body of a
48 municipality constituting **'[part of]'** a constituent district of a

1 limited purpose regional district, part of an all purpose regional
2 district, or part of a consolidated school district may, by resolution,
3 withdraw from a limited purpose or all purpose regional district or
4 consolidated school district in order to form or enlarge a limited
5 purpose or all purpose regional district provided that the
6 withdrawal:

7 (1) is approved by the Commissioner of Education², in
8 consultation with the Director of the Division of Local Government
9 Services in the Department of Community Affairs,² as meeting the
10 criteria set forth in paragraphs (2) through (8) of this subsection,
11 which approval shall be obtained prior to any election held to
12 determine whether to form or enlarge a limited purpose or all
13 purpose regional district that the withdrawing board of education or
14 governing body will join;

15 (2) does not², and is not foreseeably likely to,² increase or
16 exacerbate the segregation of students ²by racial, socioeconomic,
17 disability, or English Language Learner status as determined by the
18 number and percentage of affected students² enrolled in the school
19 districts seeking to consolidate or in the regional district or
20 consolidated school district from which a school district is seeking
21 to withdraw ²[by racial, socio-economic, disability, or English
22 Language Learner status]²;

23 (3) consolidates school districts that are in close geographic
24 proximity of each other. School districts need not be immediately
25 contiguous as long as any geographic separation is not so large as to
26 contradict the potential for improved efficiency and cost savings;

27 (4) to the maximum extent practicable, reduces student seat time
28 and transportation costs;

29 (5) possesses the potential for improved efficiency and cost
30 savings;

31 (6) possesses the potential to advance an enhanced learning
32 environment for participating school districts;

33 (7) coordinates curriculum across schools and grades throughout
34 the proposed limited purpose or all purpose regional district; and

35 (8) reflects a documented commitment from the affected boards
36 of education to make good faith efforts to implement practices that
37 promote efficiency and quality of education.

38 b. A board of education of a local school district or of a local
39 school district constituting part of a limited purpose regional
40 district, the ¹board of education or¹ governing body of a non-
41 operating school district, or the governing body of a municipality
42 constituting ¹[part of]¹ a constituent district of a limited purpose
43 regional district, part of an all purpose regional district, or part of a
44 consolidated school district that withdraws from a limited purpose
45 or all purpose regional district or consolidated school district
46 pursuant to the provisions of subsection a. of this section shall pay
47 transitional support to the limited purpose or all purpose regional

1 district ¹or consolidated school district¹ in which it was formerly a
 2 member, less the tuition dollars paid pursuant to subsection c. of
 3 this section, in an amount equal to the difference between the
 4 amount to be paid to the limited purpose or all purpose regional
 5 district of which the district or municipality will be a member and
 6 the amount paid to the former limited purpose or all purpose
 7 regional district ¹or consolidated school district¹ during the final
 8 year in which the district or municipality had been a member
 9 according to the following schedule:

10 (1) 100 percent during the first school year following
 11 withdrawal;

12 (2) 80 percent during the second school year following
 13 withdrawal;

14 (3) 60 percent during the third school year following
 15 withdrawal;

16 (4) 40 percent during the fourth school year following
 17 withdrawal; and

18 (5) 20 percent during the fifth school year following withdrawal.

19 A board of education of a local school district or of a local school
 20 district constituting part of a limited purpose regional district, the
 21 ¹board of education or¹ governing body of a non-operating school
 22 district, or the governing body of a municipality ¹**【constituting**
 23 **part】**¹ of a constituent district of a limited purpose regional district,
 24 part of an all purpose regional district, or part of a consolidated
 25 school district shall not be responsible for any further transitional
 26 payments required pursuant to this subsection following the end of
 27 the fifth school year following withdrawal.

28 c. A student residing in the withdrawing district ¹**【as of】** on¹
 29 the date ¹**【of enactment of P.L. , c. (C.) (pending before**
 30 **the Legislature as this bill)】** the district withdrawals pursuant to the
 31 provisions of this section¹ may remain in the school in which the
 32 student is enrolled at the time of withdrawal on a tuition basis,
 33 which tuition shall be paid by the withdrawing district.
 34

35 12. (New section) a. Notwithstanding the provisions of
 36 N.J.S.18A:13-34 or any other law, rule, or regulation to the
 37 contrary, the Commissioner of Education may permit the board of
 38 education of a regional district and the board or boards of education
 39 of one or more local districts, boards of education of two or more
 40 local districts, the board of education of a consolidated district, or
 41 the board of education of a district comprising two or more
 42 municipalities seeking to form or enlarge a limited purpose or all
 43 purpose regional district to agree to phase-in payment of the amount
 44 to be paid by each district under the apportionment method adopted
 45 by the voters. The phase-in payment schedule shall be for a period
 46 not to exceed 10 years. Following completion of the phase-in

1 payment period, the method of apportionment shall revert to full
2 payment under the method approved by the voters.

3 b. Notwithstanding the provisions of N.J.S.18A:13-34 or any
4 other law, rule, or regulation to the contrary, the Commissioner of
5 Education may permit the board of education of a regional district
6 and the board or boards of education of one or more local districts,
7 boards of education of two or more local districts, the board of
8 education of a consolidated district, or the board of education of a
9 district comprising two or more municipalities seeking to form or
10 enlarge a limited purpose or all purpose regional district to agree to
11 establish a transitional methodology, not to exceed 10 years, of the
12 apportionment method adopted by the voters provided that the
13 methodology is agreed to by all participating districts.

14

15 13. (New section) a. Notwithstanding any law, rule, or
16 regulation to the contrary, when a proposal to form a limited
17 purpose or all purpose regional district is submitted to the voters
18 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
19 voters pursuant to N.J.S.18A:13-35, a board of education shall
20 proceed with the regionalization plan in accordance with the
21 provisions of the proposal. Any claim that a board of education is
22 proceeding with the regionalization plan in a manner inconsistent
23 with the provisions of the proposal shall be made directly to the
24 Commissioner of Education.

25 b. In the event that the commissioner determines that a board of
26 education is acting in a manner inconsistent with the provisions of a
27 proposal adopted pursuant to N.J.S.18A:13-35, such board of
28 education shall submit plans to the commissioner detailing the steps
29 to be taken to address such inconsistencies.

30

31 14. (New section) a. Notwithstanding any law, rule, or
32 regulation to the contrary, when a proposal to enlarge a limited
33 purpose or all purpose regional district is submitted to the voters
34 pursuant to N.J.S.18A:13-43, and the proposal is adopted by the
35 voters pursuant to N.J.S.18A:13-44, a board of education of the
36 regional district and the board or boards of education of one or
37 more local districts determined to enlarge the regional district shall
38 proceed with the regionalization plan in accordance with the
39 provisions of the proposal. Any claim that a board of education is
40 proceeding with the regionalization plan in a manner inconsistent
41 with the provisions of the proposal shall be made directly to the
42 Commissioner of Education.

43 b. In the event that the commissioner determines that a board of
44 education of a regional district or of one or more local districts is
45 acting in a manner inconsistent with the provisions of a proposal
46 adopted pursuant to N.J.S.18A:13-44, such board of education shall
47 submit plans to the commissioner detailing the steps to be taken to
48 address such inconsistencies.

1 15. (New section) a. Notwithstanding any law, rule, or
2 regulation to the contrary, when a proposal to add to the purposes
3 for which a regional district was created is submitted to the voters
4 and adopted pursuant to N.J.S.18A:13-33, the board of education of
5 a constituent district and of the limited purpose or all purpose
6 regional district, as applicable, shall proceed with the
7 regionalization plan in accordance with the provisions of the
8 proposal. Any claim that a board of education of a constituent
9 district or the board of education of the limited purpose or all
10 purpose regional district, as applicable, is proceeding with the
11 regionalization plan in a manner inconsistent with the provisions of
12 the proposal shall be made directly to the Commissioner of
13 Education.

14 b. In the event that the commissioner determines that a board of
15 education of a constituent district or the board of education of the
16 limited purpose or all purpose regional district, as applicable, is
17 acting in a manner inconsistent with the provisions of a proposal
18 adopted pursuant to N.J.S.18A:13-33, such board of education shall
19 submit plans to the commissioner detailing the steps to be taken to
20 address such inconsistencies.

21
22 16. (New section) a. Notwithstanding ¹the provisions of
23 N.J.S.18A:13-33 or¹ any ¹other¹ law, rule, or regulation to the
24 contrary, if a proposal to add additional purposes will convert a
25 regional district from a limited purpose regional district to an all
26 purpose regional district, the proposal shall be submitted to the
27 voters of each of the constituent districts of the regional district
28 instead of at large to the voters of the regional district, and said
29 proposal to convert a limited purpose regional district to an all
30 purpose regional district ¹**[may]** shall¹ be considered adopted if a
31 majority of the voters in a majority of the constituent districts that
32 constitute the limited purpose regional district vote to form an all
33 purpose regional district. Notwithstanding any law, rule, or
34 regulation to the contrary, a board of education of a constituent
35 district of a limited purpose regional district that does not vote to
36 join an all purpose regional district pursuant to the provisions of
37 this subsection may continue to send such students as were enrolled
38 in the limited purpose regional district to the schools that were
39 established as part of the limited purpose regional district.
40 ¹Nothing contained herein shall be construed as prohibiting a
41 limited purpose regional district from seeking to add to the purposes
42 for which the limited purpose regional district was created pursuant
43 to the process established under N.J.S.18A:13-33.¹

44 b. Notwithstanding any law, rule, or regulation to the contrary,
45 if a proposal to add additional purposes to a limited purpose
46 regional district is adopted pursuant to the provisions of subsection
47 a. of this section, the constituent districts constituting the limited

1 purpose regional district shall calculate and apportion the
2 membership of the board of education of the newly formed all
3 purpose regional district upon the basis of a proportional number of
4 pupils enrolled from each constituent district that constitutes the
5 limited purpose regional district, including any district that does not
6 vote to join the all purpose regional district and continues to send
7 students to the schools of the limited purpose regional district
8 pursuant to subsection a. of this section. However, each constituent
9 district, including any district that does not vote to join the all
10 purpose regional district and continues to send students to the
11 schools of the limited purpose regional district pursuant to
12 subsection a. of this section, shall have at least one member. A
13 constituent district that does not vote to join the all purpose regional
14 district but retains membership on the board of education of the
15 newly formed all purpose regional district pursuant to the
16 provisions of this subsection shall be eligible to vote on ³the
17 following matters] any matter³ before the all purpose regional
18 board of education³]:

19 (1) the amounts to be raised for annual or special appropriations
20 and the apportionment method to be used pursuant to N.J.S.18A:13-
21 34;

22 (2) the bill lists or contracts for the purchase, operation or
23 maintenance of facilities, equipment and instructional materials to
24 be used in the education of the pupils of the constituent district that
25 does not vote to join the all purpose regional district;

26 (3) new capital construction to be utilized by the constituent
27 district that does not vote to join the all purpose regional district;

28 (4) appointment, transfer, or removal of teaching staff members
29 and administrators providing services to pupils of the constituent
30 district that does not vote to join the all purpose regional district;
31 and

32 (5) addition or deletion of curricular and extracurricular
33 programs involving pupils of the constituent district that does not
34 vote to join the all purpose regional district] on which a member of
35 the board of education of a sending district is eligible to vote on
36 before a receiving board of education as provided in section 1 of
37 P.L.1995, c.8 (C.18A:38-8.1)³.

38
39 17. (New section) a. Notwithstanding any law, rule, or
40 regulation to the contrary, when a limited purpose regional district
41 is proposing to add additional purposes that will convert the limited
42 purpose regional district to an all purpose regional district, the
43 constituent districts may by resolution frame and adopt a proposal
44 to calculate and apportion the membership of the board of education
45 of the newly formed all purpose regional district among the
46 constituent districts as nearly as may be according to the number of

1 their inhabitants, except that each constituent district shall have at
2 least one member.

3 The new members of the board of education of the newly created
4 all purpose regional district, who shall serve until the election of the
5 first elected members of the newly formed regional district pursuant
6 to the provisions of subsection b. of this section, shall be selected as
7 follows:

8 (1) two-thirds shall be selected from among the members of the
9 boards of education or governing bodies of the constituent districts
10 constituting the limited purpose regional district; and

11 (2) one-third shall be selected from among the members of the
12 board of education of the limited purpose regional district
13 proposing to add additional purposes, with such members selected
14 according to the number of each constituent districts' inhabitants.

15 b. Notwithstanding any law, rule, or regulation to the contrary,
16 the first elected members of the board of education of the newly
17 formed regional district shall be elected in accordance with the
18 proposal to calculate and apportion the membership of the board of
19 education adopted pursuant to subsection a. of this section at the
20 annual election to be held in the calendar year first succeeding the
21 year in which the election for the creation of the district was held.
22

23 18. (New section) a. Notwithstanding the provisions of
24 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
25 the boards of education proposing to form a newly created regional
26 district may by resolution frame and adopt a proposal to calculate
27 and apportion the membership of the board of education of the
28 newly created regional district according to the number of each
29 constituent districts' inhabitants, except that each constituent
30 district shall have at least one member. The calculation and method
31 of apportionment chosen pursuant to the provisions of this
32 subsection need not be approved by the commissioner or his
33 representative. If the commissioner or his representative
34 determines that it is advisable for such districts to form a newly
35 created regional district, and the question of whether or not the
36 proposal to create a regional district is submitted to the voters
37 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
38 voters pursuant to N.J.S.18A:13-35, then the members of the board
39 of education of the newly formed regional district shall be selected
40 from among the members of the boards of education of each
41 constituent district of the newly created regional district, who shall
42 serve until the election of the first elected members of the newly
43 created regional district pursuant to the provisions of subsection b.
44 of this section, in accordance with the proposal to calculate and
45 apportion the membership of the board of education adopted
46 pursuant to this subsection.

47 b. Notwithstanding any law, rule, or regulation to the contrary,
48 the first elected members of the board of education of a newly

1 created regional district shall be elected in accordance with the
2 proposal to calculate and apportion the membership of the board of
3 education adopted pursuant to subsection a. of this section at the
4 annual election to be held in the calendar year first succeeding the
5 year in which the election for the creation of the district was held.

6
7 19. (New section) a. Notwithstanding the provisions of
8 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
9 the board of education of a regional district and the board or boards
10 of education of one or more local districts determined to enlarge the
11 regional district may by resolution frame and adopt a proposal to
12 calculate and apportion the membership of the enlarged board of
13 education according to the number of each constituent districts'
14 inhabitants, except that each constituent district shall have at least
15 one member. The calculation and method of apportionment chosen
16 pursuant to the provisions of this subsection need not be approved
17 by the commissioner or his representative. If the commissioner or
18 his representative determines that it is advisable to enlarge the
19 regional district to include the local district or districts therein, and
20 the question of whether or not the proposal to enlarge the regional
21 district is submitted to the voters pursuant to N.J.S.18A:13-43, and
22 the proposal is adopted by the voters pursuant to N.J.S.18A:13-44,
23 then all members of the board of education of the enlarged regional
24 district shall be elected in accordance with the proposal to calculate
25 and apportion the membership of the board of education adopted
26 pursuant to this subsection at the next annual school election after
27 the election to enlarge the regional district.

28 b. For an enlarged regional district with a board of education
29 apportioned pursuant to this section, the board of education of the
30 new constituent district of the enlarged regional district shall, not
31 later than 30 days after the election for the enlargement thereof,
32 appoint one member of the enlarged board of education of the
33 regional district from among the members of the board of education
34 of the new constituent district, and the member so appointed shall
35 serve until the first Monday succeeding the first annual April school
36 election of the enlarged regional district. In the case of a regional
37 district in which the annual school election is in November, the
38 member so appointed shall serve until the first week in January next
39 succeeding the first annual November school election of the
40 enlarged district.

41
42 20. N.J.S.18A:13-34 is amended to read as follows:

43 18A:13-34. If the boards of education of two or more local
44 districts, or the board of education of a consolidated district, or of a
45 district comprising two or more municipalities, and the
46 commissioner or his representative, after consultation, study and
47 investigation, shall determine, that it is advisable for such districts
48 to join and create, or for such district to become

- 1 (a) an all purpose regional school district for all the school
2 purposes of such districts or district, or
- 3 (b) a limited purpose regional school district to provide and
4 operate, in the territory comprised within such local districts or
5 district, one or more of the following: elementary schools, junior
6 high schools, high schools, vocational schools, special schools,
7 health facilities or particular educational services or facilities, that
8 board or boards shall by resolution frame and adopt a proposal to
9 that effect stating also the manner in which the amounts to be raised
10 for annual or special appropriations for such proposed regional
11 school district, including the amounts to be raised for interest upon,
12 and the redemption of bonds payable by the regional district, shall
13 be apportioned upon the basis of:
- 14 a. the portion of each municipality's equalized valuation
15 allocated to the regional district, calculated as described in the
16 definition of equalized valuation in section 3 of **[P.L.1990, c.52**
17 **(C.18A:7D-3)]** P.L.2007, c.260 (C.18A:7F-45);
- 18 b. the proportional number of pupils enrolled from each
19 municipality on the 15th day of October of the prebudget year in the
20 same manner as would apply if each municipality comprised
21 separate constituent school districts; or
- 22 c. any combination of apportionment based upon equalized
23 valuations pursuant to subsection a. of this section or pupil
24 enrollments pursuant to subsection b. of this section, and each such
25 board shall submit on the same day in each municipality in its
26 district at a special election or at the general election the question
27 whether or not the proposal shall be approved, briefly describing
28 the contents of the resolution and stating the date of its adoption
29 and they may submit also, at the special election, as part of such
30 proposal, any other provisions which may be submitted, at such a
31 special election, under the provisions of this chapter **[but no]** and
32 any such special election **[shall be held on any day before April 15**
33 **or after December 1 of any calendar year]** pursuant to the
34 provisions of this section shall be held pursuant to the provisions of
35 P.L.1995, c.278 (C.19:60-1 et seq.). Except as otherwise provided
36 herein, the special election shall be conducted in accordance with
37 the provisions of P.L.1995, c.278 (C.19:60-1 et al.).
38 (cf: P.L.2013, c.172, s.3)

39

40 21. N.J.S.18A:13-43 is amended to read as follows:

41 18A:13-43. If the board of education of a regional district and
42 the board or boards of education of one or more local districts, and
43 the commissioner or his representative, after consultation, study and
44 investigation, shall determine that it is advisable to enlarge the
45 regional school district so as to include said local district or districts
46 therein, the board of education of the regional district and of each
47 such local district shall by resolution frame and adopt a proposal to

1 that effect and shall submit upon the same day, in such regional
2 district and in each such local school district, at a special school
3 election held pursuant to the provisions of P.L.1995, c.278
4 (C.19:60-1 et seq.) or at an election to be held on the third Tuesday
5 in April the question whether or not said proposal shall be approved
6 briefly describing the contents of said resolution and stating the
7 date of its adoption and they may submit also at such special
8 election as part of such proposal any other provision which may be
9 submitted at such a special election under the provisions of this
10 chapter.

11 (cf: P.L.2017, c.45, s.8)

12

13 22. Section 4 of P.L.2018, c.67 (C.18A:7F-68) is amended to
14 read as follows:

15 4. a. Notwithstanding the provisions of P.L.2007, c.260
16 (C.18A:7F-43 et al.) or any other law to the contrary, in the 2019-
17 2020 through 2024-2025 school years, a school district or county
18 vocational school district in which the State aid differential
19 calculated is negative shall receive State school aid in an amount
20 equal to the sum of the district's State aid in the prior school year
21 plus the district's proportionate share of the sum of any increase in
22 State aid included in the annual appropriations act for that fiscal
23 year and the total State aid reduction pursuant to subsection b. of
24 this section based on the district's State aid differential as a percent
25 of the Statewide total State aid differential among all school
26 districts and county vocational school districts for which the State
27 aid differential is negative. Any increase in State aid pursuant to
28 this subsection shall first be allocated to equalization aid, followed
29 by special education categorical aid, security categorical aid, and
30 transportation aid, except that no category shall exceed the total
31 amount as calculated in accordance with the provisions of sections
32 11, 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-53, C.18A:7F-55,
33 C.18A:7F-56, and C.18A:7F-57), respectively.

34 b. Except as provided pursuant to subsection c. of this section,
35 and notwithstanding the provisions of P.L.2007, c.260 (C.18A:7F-
36 43 et al.) or any other law to the contrary, in the 2019-2020 through
37 2024-2025 school years, a school district or county vocational
38 school district in which the State aid differential is positive shall
39 receive State school aid in an amount equal to the district's State aid
40 in the prior school year minus a percent of the State aid differential
41 according to the following schedule:

- 42 (1) 13 percent in the 2019-2020 school year;
- 43 (2) 23 percent in the 2020-2021 school year;
- 44 (3) 37 percent in the 2021-2022 school year;
- 45 (4) 55 percent in the 2022-2023 school year;
- 46 (5) 76 percent in the 2023-2024 school year; and
- 47 (6) 100 percent in the 2024-2025 school year.

1 c. (1) An SDA district that is located in a municipality in
2 which the equalized total tax rate is greater than the Statewide
3 average equalized total tax rate for the most recent available
4 calendar year and is spending below adequacy as calculated
5 pursuant to section 1 of P.L.2018, c.67 (C.18A:7F-70) shall not be
6 subject to a reduction in State aid pursuant to subsection b. of this
7 section.

8 (2) An SDA district that is located in a municipality in which
9 the equalized total tax rate is greater than the Statewide average
10 equalized total tax rate for the most recent available calendar year
11 and is spending above adequacy as calculated pursuant to section 1
12 of P.L.2018, c.67 (C.18A:7F-70) shall be subject to a reduction not
13 to exceed the amount by which the district is spending above
14 adequacy multiplied by the corresponding percentage included in
15 subsection b. of this section.

16 (3) A school district, other than an SDA district, that is located
17 in a municipality in which the equalized total tax rate is at least 10
18 percent greater than the Statewide average equalized total tax rate
19 for the most recent available calendar year and is spending at least
20 10 percent below adequacy as calculated pursuant to section 1 of
21 P.L.2018, c.67 (C.18A:7F-70) shall not be subject to a reduction in
22 State aid pursuant to subsection b. of this section.

23 (4) A school district that is a participating district under an
24 application that is approved for a grant pursuant to subsection a. of
25 section 4 of P.L. , c. (C.) (pending before the Legislature
26 as this bill) or a school district that is a participating district under
27 an application that receives preliminary approval pursuant to
28 subsection b. of section 4 of P.L. , c. (C.) (pending before
29 the Legislature as this bill) and that has a State aid differential that
30 is positive may elect to receive State school aid in an amount equal
31 to the district's State aid in the prior school year minus a percent of
32 the State aid differential according to the following schedule:

- 33 (1) 30 percent in the 2021-2022 school year;
34 (2) 37 percent in the 2022-2023 school year;
35 (3) 46 percent in the 2023-2024 school year;
36 (4) 55 percent in the 2024-2025 school year;
37 (5) 65.5 percent in the 2025-2026 school year;
38 (6) 76 percent in the 2026-2027 school year;
39 (7) 88 percent in the 2027-2028 school year; and
40 (8) 100 percent in the 2028-2029 school year.

41 A school district with a State aid differential that is positive,
42 which is a participating district under an application that is
43 approved for a grant pursuant to subsection a. of section 4 of
44 P.L. , c. (C.) (pending before the Legislature as this bill) or
45 that receives preliminary approval under subsection b. of section 4
46 of P.L. , c. (C.) (pending before the Legislature as this bill)
47 but has not created or joined a limited purpose or all purpose
48 regional school district within two years following the grant

1 application approval or preliminary approval shall not be eligible to
2 receive State aid according to the schedule enumerated in this
3 paragraph.

4 As used in this paragraph, “participating district” means a school
5 district whose board of education by resolution certifies a
6 commitment to participate in a feasibility study submitted as part of
7 an application under the grant program established pursuant to
8 section 2 of P.L. , c. (C.) (pending before the Legislature
9 as this bill).

10 (5) Notwithstanding the provisions of section 32 of P.L.1996,
11 c.138 (C.18A:7F-32) or any other law, rule, or regulation to the
12 contrary, a school district that is a regional school district created
13 following the approval of a grant application pursuant to section 4
14 of P.L. , c. (C.) (pending before the Legislature as this bill)
15 shall, from the first full school year following the creation of the
16 regional school district through the 2028-2029 school year, receive
17 State school aid in an amount that is the greater of:

18 (a) the amount of State school aid that the newly created
19 regional school district would receive as a regional school district;
20 or

21 (b) the sum of the amount of State school aid received by each
22 school district constituting the newly created regional school
23 district prior to the creation of such regional school district.

24 d. Any decrease in State aid pursuant to subsection b. or c. of
25 this section shall first be deducted from a school district's or county
26 vocational school district's allotment of adjustment aid. Any
27 additional reduction shall be deducted from the school district's or
28 county vocational school district's allotment of non-SFRA aids,
29 followed by equalization aid, special education categorical aid,
30 security aid, and transportation aid.

31 e. Any remaining adjustment aid or non-SFRA aids shall be
32 reallocated to other State aid categories in a manner to be
33 determined by the commissioner.

34 (cf: P.L.2018, c.67, s.4)

35

36 23. This act shall take effect immediately.

37

38

39

40

41 Modifies certain procedures pertaining to school district
42 regionalization; establishes grant program for cost reimbursement
43 of conducting regionalization feasibility studies; and provides
44 financial incentives for regionalization.

SENATE, No. 3488

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 4, 2021

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator VIN GOPAL

District 11 (Monmouth)

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

Co-Sponsored by:

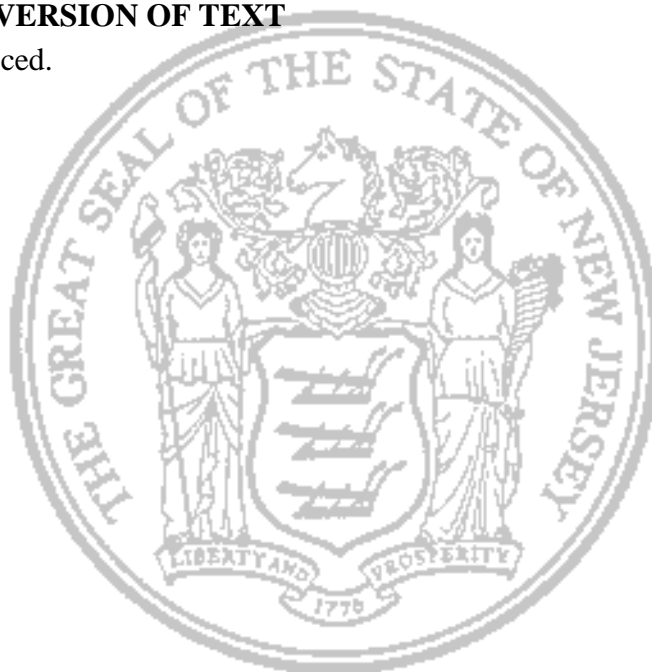
Senators Singleton and Oroho

SYNOPSIS

Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/22/2021)

1 AN ACT concerning school district regionalization, amending
2 various parts of the statutory law, and supplementing chapter 13
3 of Title 18A of the New Jersey Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) As used in sections 2 through 8 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill):

10 “Board of education” means and includes the board of education
11 of a local school district, consolidated school district, non-operating
12 school district, and the board of education of a limited purpose or
13 all purpose regional district.

14 “Division” means the Division of Local Government Services in
15 the Department of Community Affairs.

16 “Governing body” means and includes, in the event that a school
17 district enumerated herein does not have a board of education, the
18 governing body of a local school district, consolidated school
19 district, and the governing body of a municipality constituting a
20 constituent district of a limited purpose or all purpose regional
21 district.

22 “Participating district” means a school district whose board of
23 education or governing body, as applicable, by resolution certifies a
24 commitment to participate in a feasibility study submitted as part of
25 an application under the grant program established pursuant to
26 section 2 of P.L. , c. (C.) (pending before the Legislature
27 as this bill).

28 “School district” means and includes a local school district,
29 consolidated school district, non-operating school district, a
30 constituent school district, and a limited purpose or all purpose
31 regional district.

32
33 2. (New section) The Division of Local Government Services in
34 the Department of Community Affairs shall establish a grant
35 program, within the limit of funds appropriated or otherwise made
36 available for the program, the purpose of which shall be to provide
37 for the reimbursement of eligible costs associated with conducting
38 feasibility studies that support the creation of meaningful and
39 implementable plans to form or expand regional school districts. In
40 addition to funds being made available to boards of education and
41 governing bodies seeking to conduct feasibility studies after the
42 date of enactment of P.L. , c. (C.) (pending before the
43 Legislature as this bill), funds under the grant program shall be
44 made available to:

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 a. the boards of education or governing bodies of two or more
2 school districts which have conducted within two years prior to the
3 enactment of P.L. , c. (C.) (pending before the Legislature
4 as this bill) a feasibility study for which no prior reimbursement
5 was made; and

6 b. the boards of education or governing bodies of two or more
7 school districts that are in the process of conducting a feasibility
8 study as of the date of enactment of P.L. , c. (C.) (pending
9 before the Legislature as this bill).

10

11 3. (New section) a. The boards of education or governing
12 bodies of two or more school districts seeking to form a limited
13 purpose or all purpose regional district and that wish to apply for
14 funding under the grant program established pursuant to section 2
15 of P.L. , c. (C.) (pending before the Legislature as this bill)
16 shall jointly submit an application to the division. The application
17 shall identify and designate at least one project coordinator from
18 one or more participating districts who shall be responsible for
19 overseeing the activities associated with conducting the feasibility
20 study proposed under the application and for fulfilling any
21 requirements prescribed by the division in the receipt of a grant
22 under the program. The application shall also include:

23 (1) copies of the resolutions adopted by all participating boards
24 of education or governing bodies, as applicable, certifying a
25 commitment to participate in a feasibility study. An application
26 may propose a feasibility study that would include an analysis of
27 the inclusion of non-participating districts in a proposed regional
28 district, in which case the application shall state that the feasibility
29 study will present findings and recommendations related both to the
30 consolidation of participating districts into a regional district and
31 alternative findings and recommendations contingent upon the
32 inclusion of the non-participating districts;

33 (2) a detailed narrative describing the proposed regionalization
34 plan or plans to be studied, as well as potential areas for educational
35 and fiscal improvement. The feasibility study shall include, but
36 need not be limited to, options to address issues related to:

37 (a) facility utilization;

38 (b) cost sharing and methods of apportionment, including but
39 not limited to, equalized valuation, pupil enrollment, or a
40 combination of the two as well as whether such apportionment
41 should take effect immediately or on a phase-in or transitional basis
42 over a certain number of years;

43 (c) the allocation of existing school debt and proceeds from the
44 sale of unutilized or underutilized facilities;

45 (d) projected enrollment trends, including the impact on the
46 demographic breakdown of the student population, including race,
47 ethnicity, and national origin, and projected changes in class size;

- 1 (e) current and projected staffing needs and costs, including
2 retirement and attrition trends for instructional, administrative, and
3 support staff;
- 4 (f) an analysis of the differences in the salaries and terms and
5 conditions of employment in elementary, middle, and high school
6 teachers', administrators', and support staffs' contracts among the
7 various districts, which analysis shall be developed by school
8 districts and the majority representatives of all recognized
9 bargaining units;
- 10 (g) State aid and tax revenue projections;
- 11 (h) potential cost savings from regionalization;
- 12 (i) student seat time and distance traveled, as well as potential
13 increased or reduced transportation costs;
- 14 (j) kindergarten through 12 curriculum coordination
15 improvements;
- 16 (k) enrichment of educational programs for students; and
- 17 (l) calculation and methods of apportionment for determining
18 membership on the regional district board of education among the
19 constituent districts;
- 20 (3) a description of the intended use of grant funding in
21 supporting the costs associated with conducting the feasibility
22 study;
- 23 (4) a demonstration of the boards' or governing bodies'
24 capacities to oversee the proposed feasibility study;
- 25 (5) a list of personnel or outside consultants who would be
26 conducting the feasibility study, which consultants shall be selected
27 in accordance with applicable State law;
- 28 (6) a plan to incorporate public and stakeholder participation
29 and ideas in the regionalization study process, which shall include
30 school board members, parents, teachers, administrators, non-
31 instructional staff, union representatives, municipal officials, and
32 interested citizens; and
- 33 (7) any other materials or information as may be required by the
34 division to effectively evaluate the proposed feasibility study and
35 assess the costs associated with conducting the feasibility study.
- 36 b. In order to be eligible to receive a grant under the grant
37 program established pursuant to section 2 of P.L. , c. (C.)
38 (pending before the Legislature as this bill), the boards of education
39 or governing bodies shall demonstrate that the proposed
40 regionalization:
 - 41 (1) does not increase or exacerbate the segregation of students
42 enrolled in the school districts seeking to consolidate or, as
43 applicable, in the school districts from which a school district is
44 seeking to withdraw by racial, socio-economic, disability, or
45 English Language Learner status;
 - 46 (2) to the maximum extent practicable, will lead to the
47 establishment of a limited purpose or all purpose regional district;

1 (3) consolidates school districts that are in close geographic
2 proximity of each other. School districts need not be immediately
3 contiguous as long as any geographic separation is not so large as to
4 contradict the potential for improved efficiency and cost savings;

5 (4) possesses the potential for improved efficiency and cost
6 savings;

7 (5) possesses the potential to advance an enhanced learning
8 environment for participating districts;

9 (6) coordinates curriculum across schools and grades throughout
10 the proposed limited purpose or all purpose regional school; and

11 (7) reflects a documented commitment from the participating
12 districts to make good faith efforts to implement the
13 recommendations of the feasibility study that promote efficiency
14 and quality of education.

15 c. The Commissioner of Education shall review every
16 application submitted pursuant to this section, except for an
17 application eligible for preliminary approval pursuant to subsection
18 b. of section 4 of P.L. , c. (C.) (pending before the
19 Legislature as this bill), and shall certify, in writing, that the newly
20 formed or enlarged regional district will not increase or exacerbate
21 segregation among the districts seeking to regionalize or, as
22 applicable, the schools districts from which a school district is
23 seeking to withdraw.

24

25 4. (New section) a. The division shall review all applications
26 submitted pursuant to section 3 of P.L. , c. (C.) (pending
27 before the Legislature as this bill) and shall only approve
28 applications that meet the eligibility criteria set forth in subsection
29 b. of section 3 of P.L. , c. (C.) (pending before the
30 Legislature as this bill) and that are certified by the commissioner
31 pursuant to subsection c. of section 3 of P.L. , c. (C.)
32 (pending before the Legislature as this bill). Boards of education or
33 governing bodies whose applications are denied approval for a grant
34 shall be provided a notice describing the reasons for the denial and
35 the applicant shall be afforded an opportunity for a hearing before
36 an administrative law judge to contest the decision, which shall
37 conform with the provisions applicable to such contested cases in
38 this State as set forth in statute and regulation.

39 b. The division may grant preliminary approval of an application
40 submitted by the boards of education or governing bodies of two or
41 more school districts pursuant to section 3 of P.L. , c. (C.)
42 (pending before the Legislature as this bill) if the division
43 determines that the application contains sufficient evidence to
44 demonstrate that the proposed regionalization complies with the
45 criteria enumerated in subsection b. of section 3 of P.L. ,
46 c. (C.) (pending before the Legislature as this bill) and is
47 proposing to:

48 (1) form a countywide school district; or

1 (2) form an all purpose regional district by expanding an
2 existing limited purpose regional district through consolidation with
3 some or all of the constituent school districts of the existing limited
4 purpose regional district.

5 The division shall establish guidelines governing preliminary
6 approval of applications submitted pursuant to this subsection. A
7 participating district that is part of an application that receives
8 preliminary approval under this subsection and that has a State aid
9 differential that is positive may elect to receive State school aid
10 pursuant to the schedule established in paragraph (4) of subsection
11 c. of section 4 of P.L.2018, c.67 (C.18A:7F-68).

12 c. Boards of education or governing bodies receiving application
13 approval pursuant to this section shall be reimbursed for any
14 eligible costs of the feasibility study up to an amount or percentage
15 to be annually determined by the division, with 50 percent of the
16 grant award to be distributed upon the division's final approval of
17 the grant application and the remaining 50 percent of the grant
18 award to be distributed upon the division's acceptance of the
19 completed feasibility study. Boards of education or governing
20 bodies receiving application approval pursuant to subsection a. of
21 this section, which have conducted within two years prior to the
22 enactment of P.L. , c. (C.) (pending before the Legislature
23 as this bill) a feasibility study for which no prior reimbursement
24 was made, shall be eligible for reimbursement up to an amount or
25 percentage to be determined by the division of any costs associated
26 with conducting the study upon execution of the regionalization
27 outlined in the boards' or governing bodies' application. The
28 division shall also annually determine the costs that are eligible and
29 ineligible for reimbursement under this section.

30

31 5. (New section) a. Notwithstanding the provisions of section 2
32 of P.L.1995, c.294 (C.18A:6-31.4) or of any other law, rule, or
33 regulation to the contrary, whenever a regional district is formed
34 following the approval of an application pursuant to section 4 of
35 P.L. , c. (C.) (pending before the Legislature as this bill):

36 (1) the salary guide and terms and conditions of employment,
37 whether established through a collective negotiations agreement or
38 past practice, of the largest constituent school district shall apply in
39 full after three years following the formation of the regional district
40 or until a successor agreement is negotiated with the majority
41 representative of the new school district, whichever occurs
42 first. The salary guide and terms and conditions of employment
43 that will apply pursuant to the provisions of this subsection shall be
44 based upon the terms and conditions of employment of the largest
45 constituent district made up of only the identical grade levels. In
46 the event that there is no constituent district made up of only the
47 identical grade levels, the salary guide and terms and conditions of
48 employment that will apply pursuant to the provisions of this

1 subsection shall be provided based upon the terms and conditions of
2 employment of the largest constituent district containing the
3 identical grade levels; and

4 (2) in the event that there is an employee bargaining unit in a
5 constituent school district with the next largest number of
6 employees and with a majority representative of the unit, which is
7 not so represented in the largest school district, the terms and
8 conditions of employment for all employees holding positions in
9 that unit in the newly formed regional district shall apply provided
10 that the terms and conditions of employment shall only apply to the
11 newly formed regional district's employees in that bargaining unit.

12 b. Notwithstanding the provisions of the "New Jersey
13 Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1
14 et seq.) or of any other law, rule, or regulation to the contrary,
15 whenever a regional district is formed following the approval of an
16 application pursuant to section 4 of P.L. , c. (C.) (pending
17 before the Legislature as this bill), the newly formed regional
18 district shall recognize the majority representative of the
19 classification of employees in the largest constituent district as the
20 majority representative of those employees, except that if the largest
21 constituent district does not represent that classification of
22 employees, then the majority representative of the next largest
23 constituent district that represents that classification of employees
24 shall be recognized by the newly formed regional district as the
25 majority representative of that classification of employees.

26 c. As used in this section, "largest constituent school district"
27 means the school district that employs the largest number of
28 teaching staff members.

29

30 6. (New section) The Department of Education shall reimburse
31 participating districts for any costs incurred to hold an election to
32 establish or enlarge a limited purpose or all purpose regional district
33 provided that the decision to establish or enlarge a limited purpose
34 or all purpose regional district stems from the completion of a
35 feasibility study conducted in connection with the grant program
36 established pursuant to section 2 of P.L. , c. (C.) (pending
37 before the legislature as this bill).

38

39 7. (New section) The Division of Local Government Services in
40 the Department of Community Affairs shall provide notice to the
41 Senate President, the Speaker of the General Assembly, the
42 Minority Leader of the Senate, and the Minority Leader of the
43 General Assembly upon the division's receipt of an application for
44 a grant award submitted pursuant to section 4 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill). The
46 notice shall be provided within 15 days of the division's receipt of
47 the application and shall include information identifying each
48 applicant seeking a grant award.

1 8. (New section) The Division of Local Government Services in
2 the Department of Community Affairs, in consultation with the
3 Department of Education, shall submit a report on the
4 implementation of the grant program established pursuant to section
5 2 of P.L. , c. (C.) (pending before the Legislature as this
6 bill) to the Governor, and to the Legislature pursuant to section 2 of
7 P.L.1991, c.164 (C.52:14-19.1) within one year following the date
8 of enactment of P.L. , c. (C.) (pending before the
9 Legislature as this bill) and annually thereafter. The report shall
10 include, but not be limited to:

11 a. an analysis of the grant program identifying:

12 (1) the boards of education or governing bodies that applied for
13 a grant;

14 (2) the boards of education or governing bodies that were
15 awarded a grant;

16 (3) the amount of each grant awarded;

17 (4) the availability of any funds remaining under the grant
18 program; and

19 (5) the reasoning behind the denial of any grant application;

20 b. a description of the experience of the boards of education or
21 governing bodies that applied and were approved for grant funding,
22 including the status and analysis of any feasibility studies
23 conducted with grant funding;

24 c. information on whether any grant recipients completed
25 regionalization;

26 d. an analysis of any legal, financial, educational, or other
27 factors that either facilitated or impeded the expansion or creation
28 of a regional district by participating districts including, but not
29 limited to, recommendations to existing State laws or regulations
30 that would remove impediments to regionalization; and

31 e. recommendations as to the feasibility and advisability of
32 expanding the grant program.

33

34 9. (New section) Notwithstanding any law, rule, or regulation to
35 the contrary, whenever the salary guide and terms and conditions of
36 employment of one or more school districts seeking to join a newly
37 formed or existing limited purpose or all purpose regional district is
38 set to expire upon the formation of the new regional district, the
39 school district may:

40 a. elect to adopt the expiring salary guide and terms and
41 conditions of employment for a period not to exceed one year or
42 until a successor agreement is negotiated with the majority
43 representative of the new regional district, whichever occurs first;
44 or

45 b. elect to adopt the salary guide and terms and conditions of
46 employment of the largest comparable district joining the new
47 regional district.

1 10. (New section) Notwithstanding section 3 of P.L.1995, c.294
2 (C.18A:6-31.5) or any other law, rule, or regulation to the contrary,
3 whenever a limited purpose or all purpose regional district is
4 formed or enlarged, the tenure and seniority rights of all employees
5 from the affected, constituent, replaced, displaced, or dissolved
6 districts, except for employees who are superintendents without
7 prior underlying tenure and seniority rights in the affected,
8 constituent, replaced, displaced, or dissolved districts, which form
9 or are a part of, or are affected, replaced, or displaced by the newly
10 formed or enlarged limited purpose or all purpose regional district,
11 shall be recognized and preserved by the newly formed or enlarged
12 limited purpose or all purpose regional district and all periods of
13 employment in any of the school districts shall count toward
14 acquisition of tenure and seniority in the newly formed or enlarged
15 limited purpose or all purpose regional district. All statutory and
16 contractual rights to accumulated sick leave, leave of absence, and
17 pension of an employee that have been acquired through
18 employment in any of the districts shall be recognized by the newly
19 formed or enlarged limited purpose or all purpose regional district.
20 Notwithstanding the provisions of this section or any other law,
21 rule, or regulation to the contrary, whenever a limited purpose or
22 all-purpose regional district is formed or enlarged, any employee
23 not covered by statutory seniority rights shall be placed on a
24 seniority list in accordance with the employee's years of
25 employment in any of the constituent districts for the purposes of
26 employment.

27
28 11. (New section) a. Notwithstanding any other law, rule, or
29 regulation to the contrary, a board of education of a local school
30 district or of a local school district constituting part of a limited
31 purpose regional district, the governing body of a non-operating
32 school district, or the governing body of a municipality constituting
33 part of a constituent district of a limited purpose regional district,
34 part of an all purpose regional district, or part of a consolidated
35 school district may, by resolution, withdraw from a limited purpose
36 or all purpose regional district or consolidated school district in
37 order to form or enlarge a limited purpose or all purpose regional
38 district provided that the withdrawal:

39 (1) is approved by the Commissioner of Education as meeting
40 the criteria set forth in paragraphs (2) through (8) of this subsection,
41 which approval shall be obtained prior to any election held to
42 determine whether to form or enlarge a limited purpose or all
43 purpose regional district that the withdrawing board of education or
44 governing body will join;

45 (2) does not increase or exacerbate the segregation of students
46 enrolled in the school districts seeking to consolidate or in the
47 regional district or consolidated school district from which a school

1 district is seeking to withdraw by racial, socio-economic, disability,
2 or English Language Learner status;

3 (3) consolidates school districts that are in close geographic
4 proximity of each other. School districts need not be immediately
5 contiguous as long as any geographic separation is not so large as to
6 contradict the potential for improved efficiency and cost savings;

7 (4) to the maximum extent practicable, reduces student seat time
8 and transportation costs;

9 (5) possesses the potential for improved efficiency and cost
10 savings;

11 (6) possesses the potential to advance an enhanced learning
12 environment for participating school districts;

13 (7) coordinates curriculum across schools and grades throughout
14 the proposed limited purpose or all purpose regional district; and

15 (8) reflects a documented commitment from the affected boards
16 of education to make good faith efforts to implement practices that
17 promote efficiency and quality of education.

18 b. A board of education of a local school district or of a local
19 school district constituting part of a limited purpose regional
20 district, the governing body of a non-operating school district, or
21 the governing body of a municipality constituting part of a
22 constituent district of a limited purpose regional district, part of an
23 all purpose regional district, or part of a consolidated school district
24 that withdraws from a limited purpose or all purpose regional
25 district or consolidated school district pursuant to the provisions of
26 subsection a. of this section shall pay transitional support to the
27 limited purpose or all purpose regional district in which it was
28 formerly a member, less the tuition dollars paid pursuant to
29 subsection c. of this section, in an amount equal to the difference
30 between the amount to be paid to the limited purpose or all purpose
31 regional district of which the district or municipality will be a
32 member and the amount paid to the former limited purpose or all
33 purpose regional district during the final year in which the district
34 or municipality had been a member according to the following
35 schedule:

36 (1) 100 percent during the first school year following
37 withdrawal;

38 (2) 80 percent during the second school year following
39 withdrawal;

40 (3) 60 percent during the third school year following
41 withdrawal;

42 (4) 40 percent during the fourth school year following
43 withdrawal; and

44 (5) 20 percent during the fifth school year following withdrawal.

45 A board of education of a local school district or of a local school
46 district constituting part of a limited purpose regional district, the
47 governing body of a non-operating school district, or the governing
48 body of a municipality constituting part of a constituent district of a

1 limited purpose regional district, part of an all purpose regional
2 district, or part of a consolidated school district shall not be
3 responsible for any further transitional payments required pursuant
4 to this subsection following the end of the fifth school year
5 following withdrawal.

6 c. A student residing in the withdrawing district as of the date
7 of enactment of P.L. , c. (C.) (pending before the
8 Legislature as this bill) may remain in the school in which the
9 student is enrolled at the time of withdrawal on a tuition basis,
10 which tuition shall be paid by the withdrawing district.

11

12 12. (New section) a. Notwithstanding the provisions of
13 N.J.S.18A:13-34 or any other law, rule, or regulation to the
14 contrary, the Commissioner of Education may permit the board of
15 education of a regional district and the board or boards of education
16 of one or more local districts, boards of education of two or more
17 local districts, the board of education of a consolidated district, or
18 the board of education of a district comprising two or more
19 municipalities seeking to form or enlarge a limited purpose or all
20 purpose regional district to agree to phase-in payment of the amount
21 to be paid by each district under the apportionment method adopted
22 by the voters. The phase-in payment schedule shall be for a period
23 not to exceed 10 years. Following completion of the phase-in
24 payment period, the method of apportionment shall revert to full
25 payment under the method approved by the voters.

26 b. Notwithstanding the provisions of N.J.S.18A:13-34 or any
27 other law, rule, or regulation to the contrary, the Commissioner of
28 Education may permit the board of education of a regional district
29 and the board or boards of education of one or more local districts,
30 boards of education of two or more local districts, the board of
31 education of a consolidated district, or the board of education of a
32 district comprising two or more municipalities seeking to form or
33 enlarge a limited purpose or all purpose regional district to agree to
34 establish a transitional methodology, not to exceed 10 years, of the
35 apportionment method adopted by the voters provided that the
36 methodology is agreed to by all participating districts.

37

38 13. (New section) a. Notwithstanding any law, rule, or
39 regulation to the contrary, when a proposal to form a limited
40 purpose or all purpose regional district is submitted to the voters
41 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
42 voters pursuant to N.J.S.18A:13-35, a board of education shall
43 proceed with the regionalization plan in accordance with the
44 provisions of the proposal. Any claim that a board of education is
45 proceeding with the regionalization plan in a manner inconsistent
46 with the provisions of the proposal shall be made directly to the
47 Commissioner of Education.

1 b. In the event that the commissioner determines that a board of
2 education is acting in a manner inconsistent with the provisions of a
3 proposal adopted pursuant to N.J.S.18A:13-35, such board of
4 education shall submit plans to the commissioner detailing the steps
5 to be taken to address such inconsistencies.

6
7 14. (New section) a. Notwithstanding any law, rule, or
8 regulation to the contrary, when a proposal to enlarge a limited
9 purpose or all purpose regional district is submitted to the voters
10 pursuant to N.J.S.18A:13-43, and the proposal is adopted by the
11 voters pursuant to N.J.S.18A:13-44, a board of education of the
12 regional district and the board or boards of education of one or
13 more local districts determined to enlarge the regional district shall
14 proceed with the regionalization plan in accordance with the
15 provisions of the proposal. Any claim that a board of education is
16 proceeding with the regionalization plan in a manner inconsistent
17 with the provisions of the proposal shall be made directly to the
18 Commissioner of Education.

19 b. In the event that the commissioner determines that a board of
20 education of a regional district or of one or more local districts is
21 acting in a manner inconsistent with the provisions of a proposal
22 adopted pursuant to N.J.S.18A:13-44, such board of education shall
23 submit plans to the commissioner detailing the steps to be taken to
24 address such inconsistencies.

25
26 15. (New section) a. Notwithstanding any law, rule, or
27 regulation to the contrary, when a proposal to add to the purposes
28 for which a regional district was created is submitted to the voters
29 and adopted pursuant to N.J.S.18A:13-33, the board of education of
30 a constituent district and of the limited purpose or all purpose
31 regional district, as applicable, shall proceed with the
32 regionalization plan in accordance with the provisions of the
33 proposal. Any claim that a board of education of a constituent
34 district or the board of education of the limited purpose or all
35 purpose regional district, as applicable, is proceeding with the
36 regionalization plan in a manner inconsistent with the provisions of
37 the proposal shall be made directly to the Commissioner of
38 Education.

39 b. In the event that the commissioner determines that a board of
40 education of a constituent district or the board of education of the
41 limited purpose or all purpose regional district, as applicable, is
42 acting in a manner inconsistent with the provisions of a proposal
43 adopted pursuant to N.J.S.18A:13-33, such board of education shall
44 submit plans to the commissioner detailing the steps to be taken to
45 address such inconsistencies.

46
47 16. (New section) a. Notwithstanding any law, rule, or
48 regulation to the contrary, if a proposal to add additional purposes

1 will convert a regional district from a limited purpose regional
2 district to an all purpose regional district, the proposal shall be
3 submitted to the voters of each of the constituent districts of the
4 regional district instead of at large to the voters of the regional
5 district, and said proposal to convert a limited purpose regional
6 district to an all purpose regional district may be considered
7 adopted if a majority of the voters in a majority of the constituent
8 districts that constitute the limited purpose regional district vote to
9 form an all purpose regional district. Notwithstanding any law,
10 rule, or regulation to the contrary, a board of education of a
11 constituent district of a limited purpose regional district that does
12 not vote to join an all purpose regional district pursuant to the
13 provisions of this subsection may continue to send such students as
14 were enrolled in the limited purpose regional district to the schools
15 that were established as part of the limited purpose regional district.

16 b. Notwithstanding any law, rule, or regulation to the contrary,
17 if a proposal to add additional purposes to a limited purpose
18 regional district is adopted pursuant to the provisions of subsection
19 a. of this section, the constituent districts constituting the limited
20 purpose regional district shall calculate and apportion the
21 membership of the board of education of the newly formed all
22 purpose regional district upon the basis of a proportional number of
23 pupils enrolled from each constituent district that constitutes the
24 limited purpose regional district, including any district that does not
25 vote to join the all purpose regional district and continues to send
26 students to the schools of the limited purpose regional district
27 pursuant to subsection a. of this section. However, each constituent
28 district, including any district that does not vote to join the all
29 purpose regional district and continues to send students to the
30 schools of the limited purpose regional district pursuant to
31 subsection a. of this section, shall have at least one member. A
32 constituent district that does not vote to join the all purpose regional
33 district but retains membership on the board of education of the
34 newly formed all purpose regional district pursuant to the
35 provisions of this subsection shall be eligible to vote on the
36 following matters before the all purpose regional board of
37 education:

38 (1) the amounts to be raised for annual or special appropriations
39 and the apportionment method to be used pursuant to N.J.S.18A:13-
40 34;

41 (2) the bill lists or contracts for the purchase, operation or
42 maintenance of facilities, equipment and instructional materials to
43 be used in the education of the pupils of the constituent district that
44 does not vote to join the all purpose regional district;

45 (3) new capital construction to be utilized by the constituent
46 district that does not vote to join the all purpose regional district;

47 (4) appointment, transfer, or removal of teaching staff members
48 and administrators providing services to pupils of the constituent

1 district that does not vote to join the all purpose regional district;
2 and

3 (5) addition or deletion of curricular and extracurricular
4 programs involving pupils of the constituent district that does not
5 vote to join the all purpose regional district.

6
7 17. (New section) a. Notwithstanding any law, rule, or
8 regulation to the contrary, when a limited purpose regional district
9 is proposing to add additional purposes that will convert the limited
10 purpose regional district to an all purpose regional district, the
11 constituent districts may by resolution frame and adopt a proposal
12 to calculate and apportion the membership of the board of education
13 of the newly formed all purpose regional district among the
14 constituent districts as nearly as may be according to the number of
15 their inhabitants, except that each constituent district shall have at
16 least one member.

17 The new members of the board of education of the newly created
18 all purpose regional district, who shall serve until the election of the
19 first elected members of the newly formed regional district pursuant
20 to the provisions of subsection b. of this section, shall be selected as
21 follows:

22 (1) two-thirds shall be selected from among the members of the
23 boards of education or governing bodies of the constituent districts
24 constituting the limited purpose regional district; and

25 (2) one-third shall be selected from among the members of the
26 board of education of the limited purpose regional district
27 proposing to add additional purposes, with such members selected
28 according to the number of each constituent districts' inhabitants.

29 b. Notwithstanding any law, rule, or regulation to the contrary,
30 the first elected members of the board of education of the newly
31 formed regional district shall be elected in accordance with the
32 proposal to calculate and apportion the membership of the board of
33 education adopted pursuant to subsection a. of this section at the
34 annual election to be held in the calendar year first succeeding the
35 year in which the election for the creation of the district was held.

36
37 18. (New section) a. Notwithstanding the provisions of
38 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
39 the boards of education proposing to form a newly created regional
40 district may by resolution frame and adopt a proposal to calculate
41 and apportion the membership of the board of education of the
42 newly created regional district according to the number of each
43 constituent districts' inhabitants, except that each constituent
44 district shall have at least one member. The calculation and method
45 of apportionment chosen pursuant to the provisions of this
46 subsection need not be approved by the commissioner or his
47 representative. If the commissioner or his representative
48 determines that it is advisable for such districts to form a newly

1 created regional district, and the question of whether or not the
2 proposal to create a regional district is submitted to the voters
3 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
4 voters pursuant to N.J.S.18A:13-35, then the members of the board
5 of education of the newly formed regional district shall be selected
6 from among the members of the boards of education of each
7 constituent district of the newly created regional district, who shall
8 serve until the election of the first elected members of the newly
9 created regional district pursuant to the provisions of subsection b.
10 of this section, in accordance with the proposal to calculate and
11 apportion the membership of the board of education adopted
12 pursuant to this subsection.

13 b. Notwithstanding any law, rule, or regulation to the contrary,
14 the first elected members of the board of education of a newly
15 created regional district shall be elected in accordance with the
16 proposal to calculate and apportion the membership of the board of
17 education adopted pursuant to subsection a. of this section at the
18 annual election to be held in the calendar year first succeeding the
19 year in which the election for the creation of the district was held.

20

21 19. (New section) a. Notwithstanding the provisions of
22 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
23 the board of education of a regional district and the board or boards
24 of education of one or more local districts determined to enlarge the
25 regional district may by resolution frame and adopt a proposal to
26 calculate and apportion the membership of the enlarged board of
27 education according to the number of each constituent districts'
28 inhabitants, except that each constituent district shall have at least
29 one member. The calculation and method of apportionment chosen
30 pursuant to the provisions of this subsection need not be approved
31 by the commissioner or his representative. If the commissioner or
32 his representative determines that it is advisable to enlarge the
33 regional district to include the local district or districts therein, and
34 the question of whether or not the proposal to enlarge the regional
35 district is submitted to the voters pursuant to N.J.S.18A:13-43, and
36 the proposal is adopted by the voters pursuant to N.J.S.18A:13-44,
37 then all members of the board of education of the enlarged regional
38 district shall be elected in accordance with the proposal to calculate
39 and apportion the membership of the board of education adopted
40 pursuant to this subsection at the next annual school election after
41 the election to enlarge the regional district.

42 b. For an enlarged regional district with a board of education
43 apportioned pursuant to this section, the board of education of the
44 new constituent district of the enlarged regional district shall, not
45 later than 30 days after the election for the enlargement thereof,
46 appoint one member of the enlarged board of education of the
47 regional district from among the members of the board of education
48 of the new constituent district, and the member so appointed shall

1 serve until the first Monday succeeding the first annual April school
2 election of the enlarged regional district. In the case of a regional
3 district in which the annual school election is in November, the
4 member so appointed shall serve until the first week in January next
5 succeeding the first annual November school election of the
6 enlarged district.

7

8 20. N.J.S.18A:13-34 is amended to read as follows:

9 18A:13-34. If the boards of education of two or more local
10 districts, or the board of education of a consolidated district, or of a
11 district comprising two or more municipalities, and the
12 commissioner or his representative, after consultation, study and
13 investigation, shall determine, that it is advisable for such districts
14 to join and create, or for such district to become

15 (a) an all purpose regional school district for all the school
16 purposes of such districts or district, or

17 (b) a limited purpose regional school district to provide and
18 operate, in the territory comprised within such local districts or
19 district, one or more of the following: elementary schools, junior
20 high schools, high schools, vocational schools, special schools,
21 health facilities or particular educational services or facilities, that
22 board or boards shall by resolution frame and adopt a proposal to
23 that effect stating also the manner in which the amounts to be raised
24 for annual or special appropriations for such proposed regional
25 school district, including the amounts to be raised for interest upon,
26 and the redemption of bonds payable by the regional district, shall
27 be apportioned upon the basis of:

28 a. the portion of each municipality's equalized valuation
29 allocated to the regional district, calculated as described in the
30 definition of equalized valuation in section 3 of **【P.L.1990, c.52**
31 **(C.18A:7D-3)】** P.L.2007, c.260 (C.18A:7F-45);

32 b. the proportional number of pupils enrolled from each
33 municipality on the 15th day of October of the prebudget year in the
34 same manner as would apply if each municipality comprised
35 separate constituent school districts; or

36 c. any combination of apportionment based upon equalized
37 valuations pursuant to subsection a. of this section or pupil
38 enrollments pursuant to subsection b. of this section, and each such
39 board shall submit on the same day in each municipality in its
40 district at a special election or at the general election the question
41 whether or not the proposal shall be approved, briefly describing
42 the contents of the resolution and stating the date of its adoption
43 and they may submit also, at the special election, as part of such
44 proposal, any other provisions which may be submitted, at such a
45 special election, under the provisions of this chapter **【but no】** and
46 any such special election 【shall be held on any day before April 15
47 or after December 1 of any calendar year】 pursuant to the

1 provisions of this section shall be held pursuant to the provisions of
2 P.L.1995, c.278 (C.19:60-1 et seq.). Except as otherwise provided
3 herein, the special election shall be conducted in accordance with
4 the provisions of P.L.1995, c.278 (C.19:60-1 et al.).
5 (cf: P.L.2013, c.172, s.3)

6
7 21. N.J.S.18A:13-43 is amended to read as follows:

8 18A:13-43. If the board of education of a regional district and
9 the board or boards of education of one or more local districts, and
10 the commissioner or his representative, after consultation, study and
11 investigation, shall determine that it is advisable to enlarge the
12 regional school district so as to include said local district or districts
13 therein, the board of education of the regional district and of each
14 such local district shall by resolution frame and adopt a proposal to
15 that effect and shall submit upon the same day, in such regional
16 district and in each such local school district, at a special school
17 election held pursuant to the provisions of P.L.1995, c.278
18 (C.19:60-1 et seq.) or at an election to be held on the third Tuesday
19 in April the question whether or not said proposal shall be approved
20 briefly describing the contents of said resolution and stating the
21 date of its adoption and they may submit also at such special
22 election as part of such proposal any other provision which may be
23 submitted at such a special election under the provisions of this
24 chapter.

25 (cf: P.L.2017, c.45, s.8)

26

27 22. Section 4 of P.L.2018, c.67 (C.18A:7F-68) is amended to
28 read as follows:

29 4. a. Notwithstanding the provisions of P.L.2007, c.260
30 (C.18A:7F-43 et al.) or any other law to the contrary, in the 2019-
31 2020 through 2024-2025 school years, a school district or county
32 vocational school district in which the State aid differential
33 calculated is negative shall receive State school aid in an amount
34 equal to the sum of the district's State aid in the prior school year
35 plus the district's proportionate share of the sum of any increase in
36 State aid included in the annual appropriations act for that fiscal
37 year and the total State aid reduction pursuant to subsection b. of
38 this section based on the district's State aid differential as a percent
39 of the Statewide total State aid differential among all school
40 districts and county vocational school districts for which the State
41 aid differential is negative. Any increase in State aid pursuant to
42 this subsection shall first be allocated to equalization aid, followed
43 by special education categorical aid, security categorical aid, and
44 transportation aid, except that no category shall exceed the total
45 amount as calculated in accordance with the provisions of sections
46 11, 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-53, C.18A:7F-55,
47 C.18A:7F-56, and C.18A:7F-57), respectively.

1 b. Except as provided pursuant to subsection c. of this section,
2 and notwithstanding the provisions of P.L.2007, c.260 (C.18A:7F-
3 43 et al.) or any other law to the contrary, in the 2019-2020 through
4 2024-2025 school years, a school district or county vocational
5 school district in which the State aid differential is positive shall
6 receive State school aid in an amount equal to the district's State aid
7 in the prior school year minus a percent of the State aid differential
8 according to the following schedule:

- 9 (1) 13 percent in the 2019-2020 school year;
- 10 (2) 23 percent in the 2020-2021 school year;
- 11 (3) 37 percent in the 2021-2022 school year;
- 12 (4) 55 percent in the 2022-2023 school year;
- 13 (5) 76 percent in the 2023-2024 school year; and
- 14 (6) 100 percent in the 2024-2025 school year.

15 c. (1) An SDA district that is located in a municipality in which
16 the equalized total tax rate is greater than the Statewide average
17 equalized total tax rate for the most recent available calendar year
18 and is spending below adequacy as calculated pursuant to section 1
19 of P.L.2018, c.67 (C.18A:7F-70) shall not be subject to a reduction
20 in State aid pursuant to subsection b. of this section.

21 (2) An SDA district that is located in a municipality in which
22 the equalized total tax rate is greater than the Statewide average
23 equalized total tax rate for the most recent available calendar year
24 and is spending above adequacy as calculated pursuant to section 1
25 of P.L.2018, c.67 (C.18A:7F-70) shall be subject to a reduction not
26 to exceed the amount by which the district is spending above
27 adequacy multiplied by the corresponding percentage included in
28 subsection b. of this section.

29 (3) A school district, other than an SDA district, that is located
30 in a municipality in which the equalized total tax rate is at least 10
31 percent greater than the Statewide average equalized total tax rate
32 for the most recent available calendar year and is spending at least
33 10 percent below adequacy as calculated pursuant to section 1 of
34 P.L.2018, c.67 (C.18A:7F-70) shall not be subject to a reduction in
35 State aid pursuant to subsection b. of this section.

36 (4) A school district that is a participating district under an
37 application that is approved for a grant pursuant to subsection a. of
38 section 4 of P.L. , c. (C.) (pending before the Legislature
39 as this bill) or a school district that is a participating district under
40 an application that receives preliminary approval pursuant to
41 subsection b. of section 4 of P.L. , c. (C.) (pending before
42 the Legislature as this bill) and that has a State aid differential that
43 is positive may elect to receive State school aid in an amount equal
44 to the district's State aid in the prior school year minus a percent of
45 the State aid differential according to the following schedule:

- 46 (1) 30 percent in the 2021-2022 school year;
- 47 (2) 37 percent in the 2022-2023 school year;
- 48 (3) 46 percent in the 2023-2024 school year;

- 1 (4) 55 percent in the 2024-2025 school year;
- 2 (5) 65.5 percent in the 2025-2026 school year;
- 3 (6) 76 percent in the 2026-2027 school year;
- 4 (7) 88 percent in the 2027-2028 school year; and
- 5 (8) 100 percent in the 2028-2029 school year.

6 A school district with a State aid differential that is positive,
7 which is a participating district under an application that is
8 approved for a grant pursuant to subsection a. of section 4 of
9 P.L. , c. (C.) (pending before the Legislature as this bill) or
10 that receives preliminary approval under subsection b. of section 4
11 of P.L. , c. (C.) (pending before the Legislature as this bill)
12 but has not created or joined a limited purpose or all purpose
13 regional school district within two years following the grant
14 application approval or preliminary approval shall not be eligible to
15 receive State aid according to the schedule enumerated in this
16 paragraph.

17 As used in this paragraph, “participating district” means a school
18 district whose board of education by resolution certifies a
19 commitment to participate in a feasibility study submitted as part of
20 an application under the grant program established pursuant to
21 section 2 of P.L. , c. (C.) (pending before the Legislature
22 as this bill).

23 (5) Notwithstanding the provisions of section 32 of P.L.1996,
24 c.138 (C.18A:7F-32) or any other law, rule, or regulation to the
25 contrary, a school district that is a regional school district created
26 following the approval of a grant application pursuant to section 4
27 of P.L. , c. (C.) (pending before the Legislature as this bill)
28 shall, from the first full school year following the creation of the
29 regional school district through the 2028-2029 school year, receive
30 State school aid in an amount that is the greater of:

31 (a) the amount of State school aid that the newly created
32 regional school district would receive as a regional school district;
33 or

34 (b) the sum of the amount of State school aid received by each
35 school district constituting the newly created regional school
36 district prior to the creation of such regional school district.

37 d. Any decrease in State aid pursuant to subsection b. or c. of
38 this section shall first be deducted from a school district's or county
39 vocational school district's allotment of adjustment aid. Any
40 additional reduction shall be deducted from the school district's or
41 county vocational school district's allotment of non-SFRA aids,
42 followed by equalization aid, special education categorical aid,
43 security aid, and transportation aid.

44 e. Any remaining adjustment aid or non-SFRA aids shall be
45 reallocated to other State aid categories in a manner to be
46 determined by the commissioner.

47 (cf: P.L.2018, c.67, s.4)

1 23. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill creates a grant program within the Division of Local
7 Government Services in the Department of Community Affairs, the
8 purpose of which is to provide for the reimbursement of eligible
9 costs associated with conducting feasibility studies that support the
10 creation of meaningful and implementable plans to form or expand
11 regional school districts.

12 In order to be eligible for a grant, applicant boards of education
13 or certain municipal governing bodies are required to meet certain
14 criteria, namely that the proposed regionalization: does not increase
15 or exacerbate the segregation of students enrolled in the school
16 districts seeking to consolidate or, as applicable, in the school
17 districts from which a school district is seeking to withdraw by
18 racial, socio-economic, disability, or English Language Learner
19 status; to the maximum extent practicable, will lead to the
20 establishment of a limited purpose or all purpose regional school
21 district; consolidates school districts that are in close geographic
22 proximity of each other. School districts need not be immediately
23 contiguous as long as the consolidation and any geographic
24 separation is not so large as to contradict the potential for improved
25 efficiency and cost savings; possesses the potential for improved
26 efficiency and cost savings; possesses the potential to advance an
27 enhanced learning environment for participating districts;
28 coordinates curriculum across schools and grades throughout the
29 proposed limited purpose or all purpose regional school district; and
30 reflects a documented commitment from the participating districts
31 to make good faith efforts to implement the recommendations of the
32 feasibility study that promote efficiency and quality of education.

33 Boards of education or governing bodies whose applications
34 under the grant program are approved would be reimbursed up to an
35 amount or percentage to be annually determined by the division,
36 with 50 percent of the grant award to be distributed upon the
37 division's final approval of the grant application and the remaining
38 50 percent distributed upon the division's acceptance of the
39 completed feasibility study. The bill also provides for preliminary
40 application approval if the division determines that an application
41 presents sufficient evidence of compliance with the criteria laid out
42 in the bill and the application proposes to form either a countywide
43 school district or an all purpose regional school district through
44 expansion of an existing limited purpose school district.

45 The bill amends a section of P.L.2018, c.67, commonly referred
46 to as "S-2," to provide financial relief to districts provided approval
47 or preliminary approval under the grant program which have a
48 positive State aid differential and are currently subject to State aid

1 reductions. Under the bill, a school district that is a regional school
2 district created following the approval of a grant application will,
3 from the first full school year following the creation of the regional
4 school district through the 2028-2029 school year, receive State
5 school aid in an amount that is the greater of: the amount of State
6 school aid that the newly created regional school district would
7 receive as a regional school district; or the sum of the amount of
8 State school aid received by each school district constituting the
9 newly created regional school district prior to the creation of the
10 regional school district.

11 In addition to certain other requirements, the bill generally
12 permits a new regional school district that is formed following an
13 approved application under the bill's grant program to apply the
14 terms and conditions of employment of the largest constituent
15 school district in full after three years following the formation of
16 the regional district or until a successor agreement is negotiated,
17 whichever occurs first. Under current law, the terms and conditions
18 of employment in a new regional school district are required to be
19 that of the constituent district that employs the largest number of
20 teaching staff members prior to regionalization.

21 The bill also requires the Department of Education to reimburse
22 participating districts for any costs incurred to hold an election to
23 establish or enlarge a limited purpose or all purpose regional district
24 that stems from a feasibility study conducted in connection with the
25 bill's grant program.

26 Under the bill, whenever the salary guide and terms and
27 conditions of employment of one or more school districts seeking to
28 join a newly formed or existing limited purpose or all purpose
29 regional district will expire upon the formation of the new regional
30 district, that school district may either (1) elect to adopt the expiring
31 salary guide and terms and conditions of employment for a period
32 not to exceed one year or until a successor agreement is negotiated
33 with the majority representative of the new regional district,
34 whichever occurs first; or (2) elect to adopt the salary guide and
35 terms and conditions of employment of the largest comparable
36 district joining the new regional district.

37 Under the bill, whenever a limited purpose or all purpose
38 regional district is formed or enlarged, the tenure and seniority
39 rights of all employees from the affected, constituent, replaced,
40 displaced, or dissolved districts, except for employees who are
41 superintendents without prior underlying tenure and seniority rights
42 in the affected, constituent, replaced, displaced, or dissolved
43 districts, which form or are part of, or are affected, replaced or
44 displaced by the newly formed or enlarged limited purpose or all
45 purpose regional district, will be recognized and preserved by the
46 newly formed or expanded limited purpose or all purpose regional
47 district and all periods of employment in any of the school districts
48 shall count toward acquisition of tenure and seniority in the newly

1 formed or enlarged limited purpose or all purpose regional district.
2 All statutory and contractual rights to accumulated sick leave, leave
3 of absence, and pension of an employee that have been acquired
4 through employment in any of the districts shall be recognized by
5 the newly formed or enlarged limited purpose or all purpose
6 regional district under the bill. Under the bill, whenever a limited
7 purpose or all-purpose regional district is formed or enlarged, any
8 employee not covered by statutory seniority rights will be placed on
9 a seniority list in accordance with the employee's years of
10 employment in any of the constituent districts for the purposes of
11 employment.

12 This bill provides that a board of education of a local school
13 district or of a local school district constituting part of a limited
14 purpose regional district, the governing body of a non-operating
15 school district, or the governing body of a municipality constituting
16 a constituent district of a limited purpose regional district, part of an
17 all purpose regional district, or part of a consolidated school
18 district, may by resolution, withdraw from a limited purpose or all
19 purpose regional district or consolidated school district in order to
20 form or enlarge a limited purpose or all purpose regional district. In
21 order to be eligible to withdraw under the provisions of the bill, the
22 board of education or governing body of the municipality must meet
23 a number of conditions that include, but are not limited to, approval
24 by the Commissioner of Education, which approval is required to be
25 obtained prior to any election held to determine whether to enlarge
26 the limited purpose or all purpose regional district that the
27 withdrawing board of education or governing body will join, and
28 that the withdrawal does not increase or exacerbate the segregation
29 of students enrolled in the school districts seeking to consolidate or
30 in the regional school district or consolidate school district from
31 which a school district is seeking to withdraw by racial, socio-
32 economic, disability, or English Language Learner status.

33 Under the bill, the withdrawing school district is required to pay
34 transitional support to the limited purpose or all purpose regional
35 district or consolidated district in which it was formerly a member,
36 less the amount paid in tuition dollars under the provisions of the
37 bill, in an amount equal to the difference between the amount to be
38 paid to the limited purpose or all purpose regional district of which
39 the district or municipality will be a member and the amount paid to
40 the former limited purpose or all purpose regional district or
41 consolidated district during the final year in which the district or
42 municipality had been a member according to the following
43 schedule:

- 44 (1) 100 percent during the first school year following
45 withdrawal;
- 46 (2) 80 percent during the second school year following
47 withdrawal;

1 (3) 60 percent during the third school year following
2 withdrawal;

3 (4) 40 percent during the fourth school year following
4 withdrawal; and

5 (5) 20 percent during the fifth school year following withdrawal.

6 No further transitional payments will be made following the end of
7 the fifth school year following withdrawal. A student that resides in
8 the withdrawing district at the time of the bills enactment can
9 remain in the school in which the student is enrolled at the time of
10 withdrawal on a tuition basis.

11 The bill provides that the Commissioner of Education can permit
12 school districts seeking to form or enlarge a regional district to
13 agree to phase-in payment of the amounts each district must pay
14 under the apportionment method adopted by the voters, with such
15 phase-in payment period not to exceed 10 years, or to agree to
16 establish a transitional methodology, not to exceed ten years, of the
17 apportionment method adopted by the voters provided that the
18 methodology is agreed to by all participating districts.

19 The bill provides that when a proposal to form or enlarge a
20 limited purpose or all purpose regional district, or a proposal to
21 convert a limited purpose to an all purpose regional district, is
22 adopted by the voters of the district, a constituent district or board
23 of education, as applicable, must proceed with the regionalization
24 plan in accordance with the provisions of the proposal. Claims that
25 a constituent district or board of education is proceeding with the
26 regionalization plan in a manner inconsistent with the provisions of
27 the plan will be made to the Commissioner of Education. If the
28 commissioner determines that the constituent district or board of
29 education is acting in a manner inconsistent with the provisions of
30 the proposal, the constituent district or board of education must
31 submit plans to the commissioner detailing the steps to be taken to
32 address such inconsistencies.

33 The bill provides that a limited purpose regional district can
34 convert to an all purpose regional district when a majority of the
35 voters in a majority of the constituent districts that constitute the
36 limited purpose regional district vote to form an all purpose
37 regional district. If an all purpose regional district is formed as a
38 result of a vote by the majority of the voters in a majority of the
39 constituent districts, any constituent district that votes not to join
40 the all purpose regional district can continue to send students that
41 were enrolled in the limited purpose regional district to the schools
42 that were established as part of the limited purpose district.

43 Under the bill, membership of the board of education of the new
44 all purpose regional district formed when only a majority of the
45 voters of the majority of the constituent districts of the limited
46 purpose regional district vote to form an all purpose regional will be
47 calculated and apportioned upon the basis of a proportional number
48 of pupils enrolled from each constituent district that constitutes the

1 limited purpose regional district, with the regional board of
2 education membership to include any district that does not vote to
3 join the all purpose regional district and continues to send students
4 to the schools of the limited purpose regional district, with each
5 district required to have at least one member. A constituent district
6 that does not vote to join the all purpose regional but retains
7 membership on the board of education of the newly formed all
8 purpose regional would be permitted to vote on matters provided for
9 under the provisions of the bill.

10 The bill provides that when all of the constituent districts of a
11 limited purpose regional district vote to add additional purposes that
12 will convert the limited purpose regional district to an all purpose
13 regional district, the constituent districts can calculate and apportion
14 membership of the board of education of the newly formed regional
15 district based upon their inhabitants, with each constituent district
16 required to have at least one member. For the initial term following
17 the election for the creation of the district, two-thirds of the
18 membership of the board of education of the newly formed all
19 purpose regional district would be selected from among the
20 members of the boards of education or governing bodies of the
21 constituent districts constituting the limited purpose regional
22 district and one-third of the membership of the board of education
23 of the newly formed all purpose regional district would be selected
24 from among them members of the board of education of the limited
25 purpose regional district proposing to form the all purpose regional
26 district. The first elected members of the board of education of this
27 newly created regional district would be elected at the annual
28 election to be held in the calendar year first succeeding the year in
29 which the election for the creation of the district was held.

30 The bill also provides school districts seeking to form new
31 regional districts or enlarge currently existing regional districts with
32 additional methods by which to calculate and apportion the
33 membership on the board of education of the newly formed or
34 enlarged regional district.

35 Lastly, the bill amends current law to permit a special election to
36 consider the creation or enlargement of a regional district to be held
37 pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3488

STATE OF NEW JERSEY

DATED: JUNE 9, 2021

The Assembly Education Committee reports favorably Senate Bill No. 3488 (1R).

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts.

In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet certain criteria, namely that the proposed regionalization: does not increase or exacerbate the segregation of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw by racial, socio-economic, disability, or English Language Learner status; to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional school district; consolidates school districts that are in close geographic proximity of each other. School districts need not be immediately contiguous as long as the consolidation and any geographic separation is not so large as to contradict the potential for improved efficiency and cost savings; possesses the potential for improved efficiency and cost savings; possesses the potential to advance an enhanced learning environment for participating districts; coordinates curriculum across schools and grades throughout the proposed limited purpose or all purpose regional school district; and reflects a documented commitment from the participating districts to make good faith efforts to implement the recommendations of the feasibility study that promote efficiency and quality of education.

Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent distributed upon the division's acceptance of the completed feasibility study. The bill also provides for preliminary application approval if

the division determines that an application presents sufficient evidence of compliance with the criteria laid out in the bill and the application proposes to form either a countywide school district or an all purpose regional school district through expansion of an existing limited purpose school district.

The bill amends a section of P.L.2018, c.67, commonly referred to as "S-2," to provide financial relief to districts provided approval or preliminary approval under the grant program which have a positive State aid differential and are currently subject to State aid reductions. Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

In addition to certain other requirements, the bill generally permits a new regional school district that is formed following an approved application under the bill's grant program to apply the terms and conditions of employment of the largest constituent school district in full after three years following the formation of the regional district or until a successor agreement is negotiated, whichever occurs first. Under current law, the terms and conditions of employment in a new regional school district are required to be that of the constituent district that employs the largest number of teaching staff members prior to regionalization.

The bill provides that whenever a regional district is formed following the approval of a grant application submitted under the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees shall be recognized by the newly formed regional district as the majority representative of that classification of employees.

Under the bill, a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district is prohibited from, beginning on the date upon which a school district submits an application for a grant program under the provisions of the bill, entering into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly

formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization, or consolidation at which time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) will control.

Under the bill, whenever the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited purpose or all purpose regional district will expire upon the formation of the new regional district, that school district may either (1) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (2) elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except for employees who are superintendents without prior underlying tenure and seniority rights in the affected, constituent, replaced, displaced, or dissolved districts, which form or are part of, or are affected, replaced or displaced by the newly formed or enlarged limited purpose or all purpose regional district, will be recognized and preserved by the newly formed or expanded limited purpose or all purpose regional district and all periods of employment in any of the school districts shall count toward acquisition of tenure and seniority in the newly formed or enlarged limited purpose or all purpose regional district. All statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in any of the districts shall be recognized by the newly formed or enlarged limited purpose or all purpose regional district under the bill. Under the bill, whenever a limited purpose or all-purpose regional district is formed or enlarged, any employee not covered by statutory seniority rights will be placed on a seniority list in accordance with the employee's years of employment in any of the constituent districts for the purposes of employment.

This bill provides that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district, may by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district. Under the bill, the withdrawing school district is

required to pay transitional support to the limited purpose or all purpose regional district or consolidated school district in which it was formerly a member, less the amount paid in tuition dollars under the provisions of the bill, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district or consolidated school district during the final year in which the district or municipality had been a member according to the following schedule:

- (1) 100 percent during the first school year following withdrawal;
 - (2) 80 percent during the second school year following withdrawal;
 - (3) 60 percent during the third school year following withdrawal;
 - (4) 40 percent during the fourth school year following withdrawal;
- and
- (5) 20 percent during the fifth school year following withdrawal.

No further transitional payments will be made following the end of the fifth school year following withdrawal. The bill provides that a student residing in the district on the date the district withdraws under these provisions may remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis, with the tuition to be paid by the withdrawing district.

The bill provides that the Commissioner of Education can permit school districts seeking to form or enlarge a regional district to agree to phase-in payment of the amounts each district must pay under the apportionment method adopted by the voters, with such phase-in payment period not to exceed ten years, or to agree to establish a transitional methodology, not to exceed ten years, of the apportionment method adopted by the voters provided that the methodology is agreed to by all participating districts.

The bill provides that when a proposal to form or enlarge a limited purpose or all purpose regional district, or a proposal to convert a limited purpose to an all purpose regional district, is adopted by the voters of the district, a constituent district or board of education, as applicable, must proceed with the regionalization plan in accordance with the provisions of the proposal. Claims that a constituent district or board of education is proceeding with the regionalization plan in a manner inconsistent with the provisions of the plan will be made to the Commissioner of Education. If the commissioner determines that the constituent district or board of education is acting in a manner inconsistent with the provisions of the proposal, the constituent district or board of education must submit plans to the commissioner detailing the steps to be taken to address such inconsistencies.

Under the bill, a limited purpose regional district can convert to an all purpose regional district by adding additional purposes to the purposes for which the limited purpose regional district was created by

a vote of a majority of the voters in a majority of the constituent districts; however, this provision does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law. If an all purpose regional district is formed as a result of a vote by the majority of the voters in a majority of the constituent districts, any constituent district that votes not to join the all purpose regional district can continue to send students that were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose district.

Under the bill, membership of the board of education of the new all purpose regional district formed when only a majority of the voters of the majority of the constituent districts of the limited purpose regional district vote to form an all purpose regional will be calculated and apportioned upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, with the regional board of education membership to include any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district, with each district required to have at least one member. A constituent district that does not vote to join the all purpose regional but retains membership on the board of education of the newly formed all purpose regional would be permitted to vote on matters provided for under the provisions of the bill.

The bill provides that when all of the constituent districts of a limited purpose regional district vote to add additional purposes that will convert the limited purpose regional district to an all purpose regional district, the constituent districts can calculate and apportion membership of the board of education of the newly formed regional district based upon their inhabitants, with each constituent district required to have at least one member. For the initial term following the election for the creation of the district, two-thirds of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited purpose regional district and one-third of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the board of education of the limited purpose regional district proposing to form the all purpose regional district. The first elected members of the board of education of this newly created regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held.

The bill also provides school districts seeking to form new regional districts or enlarge currently existing regional districts with additional methods by which to calculate and apportion the membership on the board of education of the newly formed or enlarged regional district.

Lastly, the bill amends current law to permit a special election to consider the creation or enlargement of a regional district to be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

As reported by the committee, this bill is identical to Assembly Bill No. 5537, which was amended and reported by the committee on this same date.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3488

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Senate Bill No. 3488 (1R), with committee amendments.

As amended, this bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. Under the bill, the division may retain one percent of the amounts appropriated or otherwise made available for the program for the purpose of offsetting the administrative expenses of the program.

In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet certain criteria, namely that the proposed regionalization: does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw; to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional school district; and consolidates school districts that are in close geographic proximity of each other. School districts need not be immediately contiguous as long as the consolidation and any geographic separation is not so large as to contradict the potential for improved efficiency and cost savings; possesses the potential for improved efficiency and cost savings; possesses the potential to advance an enhanced learning environment for participating districts; coordinates curriculum across schools and grades throughout the proposed limited purpose or all purpose regional school district; and reflects a documented commitment from the participating districts to make good faith efforts to implement the recommendations of the feasibility study that promote efficiency and quality of education.

Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent distributed upon the division's acceptance of the completed feasibility study. The bill also provides for preliminary application approval if the division determines that an application presents sufficient evidence of compliance with the criteria laid out in the bill and the application proposes to form either a countywide school district or an all purpose regional school district through expansion of an existing limited purpose school district.

The bill amends a section of P.L.2018, c.67, commonly referred to as "S-2," to provide financial relief to districts provided approval or preliminary approval under the grant program which have a positive State aid differential and are currently subject to State aid reductions. Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

In addition to certain other requirements, the bill generally permits a new regional school district that is formed following an approved application under the bill's grant program to apply the terms and conditions of employment of the largest constituent school district in full after three years following the formation of the regional district or until a successor agreement is negotiated, whichever occurs first. Under current law, the terms and conditions of employment in a new regional school district are required to be that of the constituent district that employs the largest number of teaching staff members prior to regionalization.

The bill provides that whenever a regional district is formed following the approval of a grant application submitted under the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees will be recognized by the newly formed regional district as the majority representative of that classification of employees.

Under the bill, a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district is prohibited from, beginning on the date upon which a school district submits an application for a grant program under the provisions of the bill, entering into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization, or consolidation at which time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) will control.

Under the bill, whenever the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited purpose or all purpose regional district will expire upon the formation of the new regional district, that school district may either (1) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (2) elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except for employees who are superintendents without prior underlying tenure and seniority rights in the affected, constituent, replaced, displaced, or dissolved districts, which form or are part of, or are affected, replaced or displaced by the newly formed or enlarged limited purpose or all purpose regional district, will be recognized and preserved by the newly formed or expanded limited purpose or all purpose regional district and all periods of employment in any of the school districts will count toward acquisition of tenure and seniority in the newly formed or enlarged limited purpose or all purpose regional district. All statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in any of the districts will be recognized by the newly formed or enlarged limited purpose or all purpose regional district under the bill. Under the bill, whenever a limited purpose or all-purpose regional district is formed or enlarged, any employee not covered by statutory seniority rights will be placed on a seniority list in accordance with the employee's years of employment in any of the constituent districts for the purposes of employment.

This bill provides that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of

a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district, may by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district. Under the bill, the withdrawing school district is required to pay transitional support to the limited purpose or all purpose regional district or consolidated school district in which it was formerly a member, less the amount paid in tuition dollars under the provisions of the bill, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district or consolidated school district during the final year in which the district or municipality had been a member according to the following schedule:

- (1) 100 percent during the first school year following withdrawal;
 - (2) 80 percent during the second school year following withdrawal;
 - (3) 60 percent during the third school year following withdrawal;
 - (4) 40 percent during the fourth school year following withdrawal;
- and
- (5) 20 percent during the fifth school year following withdrawal.

No further transitional payments will be made following the end of the fifth school year following withdrawal. The bill provides that a student residing in the district on the date the district withdraws under these provisions may remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis, with the tuition to be paid by the withdrawing district.

The bill provides that the Commissioner of Education can permit school districts seeking to form or enlarge a regional district to agree to phase-in payment of the amounts each district must pay under the apportionment method adopted by the voters, with such phase-in payment period not to exceed ten years, or to agree to establish a transitional methodology, not to exceed ten years, of the apportionment method adopted by the voters provided that the methodology is agreed to by all participating districts.

The bill provides that when a proposal to form or enlarge a limited purpose or all purpose regional district, or a proposal to convert a limited purpose to an all purpose regional district, is adopted by the voters of the district, a constituent district or board of education, as applicable, must proceed with the regionalization plan in accordance with the provisions of the proposal. Claims that a constituent district or board of education is proceeding with the regionalization plan in a manner inconsistent with the provisions of the plan will be made to the Commissioner of Education. If the commissioner determines that the

constituent district or board of education is acting in a manner inconsistent with the provisions of the proposal, the constituent district or board of education must submit plans to the commissioner detailing the steps to be taken to address such inconsistencies.

Under the bill, a limited purpose regional district can convert to an all purpose regional district by adding additional purposes to the purposes for which the limited purpose regional district was created by a vote of a majority of the voters in a majority of the constituent districts; however, this provision does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law. If an all purpose regional district is formed as a result of a vote by the majority of the voters in a majority of the constituent districts, any constituent district that votes not to join the all purpose regional district can continue to send students that were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose district.

Under the bill, membership of the board of education of the new all purpose regional district formed when only a majority of the voters of the majority of the constituent districts of the limited purpose regional district vote to form an all purpose regional will be calculated and apportioned upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, with the regional board of education membership to include any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district, with each district required to have at least one member. A constituent district that does not vote to join the all purpose regional but retains membership on the board of education of the newly formed all purpose regional would be permitted to vote on matters provided for under the provisions of the bill.

The bill provides that when all of the constituent districts of a limited purpose regional district vote to add additional purposes that will convert the limited purpose regional district to an all purpose regional district, the constituent districts can calculate and apportion membership of the board of education of the newly formed regional district based upon their inhabitants, with each constituent district required to have at least one member. For the initial term following the election for the creation of the district, two-thirds of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited purpose regional district and one-third of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the board of education of the limited purpose regional district proposing to form the all purpose regional district. The first elected members of the

board of education of this newly created regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held.

The bill also provides school districts seeking to form new regional districts or enlarge currently existing regional districts with additional methods by which to calculate and apportion the membership on the board of education of the newly formed or enlarged regional district.

Lastly, the bill amends current law to permit a special election to consider the creation or enlargement of a regional district to be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

As amended and reported by the committee, this bill is identical to Assembly Bill No. 5537 (1R), which was also amended and reported by the committee on this same date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- stipulate that the Division of Local Government Services in the Department of Community Affairs may retain one percent of funds appropriated or otherwise made available for the grant program established under the bill for administrative expenses;
- require boards of education or municipal governing bodies seeking grant program funds under the bill to demonstrate that a proposed regionalization does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw;
- require the Commissioner of Education to certify in writing that an applicant's proposal for a newly formed or enlarged regional district will not, and will not be foreseeably likely to, increase or exacerbate segregation among school districts in the surrounding region as determined by the number and percentage of students affected by such consolidations or withdrawals;
- provide that an analysis of the effects of school district consolidations or withdrawals, or both, on the opportunities for students to attend schools that are integrated be included as part of the report concerning the implementation of the grant program which is required to be submitted by the Division of Local Government Services in consultation with the Department of Education; and
- require that the withdrawal of certain boards of education or governing bodies from a limited purpose or all purpose regional district or a consolidated school district:

- be approved by the Director of the Division of Local Government Services, who would work in consultation with the Commissioner of Education; and
- would not, and would not be foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of affected students enrolled in the school districts seeking to consolidate or in the regional district or consolidated school district from which a school district is seeking to withdraw.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The magnitude and timing of these State expenditure increases are indeterminate because the extent of the financial incentives that will be provided is not known, nor is how many feasibility studies or elections will be undertaken in a given year.

Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts; however, as mentioned, the State will provide reimbursement for the increased expenditures. Certain provisions of the bill would allow participating school districts to spread out cost increases related to regionalization over longer periods of time than what is provided under current law, thereby reducing the budgetary impact on school districts when implementing their regionalization plans.

In addition to the increased revenues that school districts will receive from State reimbursements related to their feasibility studies and election costs, the bill also provides financial relief to districts given approval or preliminary approval under the grant program and have a positive State aid differential and are therefore subject to State aid reductions. Districts with positive State aid differentials would still be subject to State aid reductions under the bill, but they would experience the reductions under a different, less accelerated schedule than what is provided under the provisions of P.L.2018, c.67 (commonly referred to as S-2).

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 3488

STATE OF NEW JERSEY

DATED: MARCH 9, 2021

The Senate Education Committee favorably reports Senate Bill No. 3488.

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts.

In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet certain criteria, namely that the proposed regionalization: does not increase or exacerbate the segregation of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw by racial, socio-economic, disability, or English Language Learner status; to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional school district; consolidates school districts that are in close geographic proximity of each other; possesses the potential for improved efficiency and cost savings; possesses the potential to advance an enhanced learning environment for participating districts; coordinates curriculum across schools and grades throughout the proposed limited purpose or all purpose regional district; and reflects a documented commitment from the participating districts to make good faith efforts to implement the recommendations of the feasibility study that promote efficiency and quality of education.

Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent distributed upon the division's acceptance of the completed feasibility study. The bill also provides for preliminary application approval if the division determines that an application presents sufficient evidence of compliance with the criteria laid out in the bill and the application proposes to form either a countywide school district or an all purpose regional school district through expansion of an existing limited purpose school district.

The bill amends a section of P.L.2018, c.67, commonly referred to as “S-2,” to provide financial relief to districts provided approval or preliminary approval under the grant program which have a positive State aid differential and are currently subject to State aid reductions. Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

In addition to certain other requirements, the bill generally permits a new regional school district that is formed following an approved application under the bill’s grant program to apply the terms and conditions of employment of the largest constituent school district in full after three years following the formation of the regional district or until a successor agreement is negotiated, whichever occurs first. Under current law, the terms and conditions of employment in a new regional school district are required to be that of the constituent district that employs the largest number of teaching staff members prior to regionalization.

The bill also requires the Department of Education to reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district that stems from a feasibility study conducted in connection with the bill’s grant program.

Under the bill, whenever the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited purpose or all purpose regional district will expire upon the formation of the new regional district, that school district may either (1) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (2) elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except for employees who are superintendents without prior underlying tenure and seniority rights in the affected, constituent, replaced, displaced, or dissolved districts, which form or are part of, or are affected, replaced or displaced by the newly formed or enlarged limited purpose or all purpose regional district, will be

recognized and preserved by the newly formed or expanded limited purpose or all purpose regional district and all periods of employment in any of the school districts shall count toward acquisition of tenure and seniority in the newly formed or enlarged limited purpose or all purpose regional district. All statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in any of the districts shall be recognized by the newly formed or enlarged limited purpose or all purpose regional district under the bill. Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, any employee not covered by statutory seniority rights will be placed on a seniority list in accordance with the employee's years of employment in any of the constituent districts for the purposes of employment.

This bill provides that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district, may by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district. In order to be eligible to withdraw under the provisions of the bill, the board of education or governing body of the municipality must meet a number of conditions that include, but are not limited to, approval by the Commissioner of Education, which approval is required to be obtained prior to any election held to determine whether to enlarge the limited purpose or all purpose regional district that the withdrawing board of education or governing body will join, and that the withdrawal does not increase or exacerbate the segregation of students enrolled in the school districts seeking to consolidate or in the regional school district or consolidated school district from which a school district is seeking to withdraw by racial, socio-economic, disability, or English Language Learner status.

Under the bill, the withdrawing school district is required to pay transitional support to the limited purpose or all purpose regional district in which it was formerly a member, less the amount paid in tuition dollars under the provisions of the bill, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district during the final year in which the district or municipality had been a member according to the following schedule:

- (1) 100 percent during the first school year following withdrawal;
- (2) 80 percent during the second school year following withdrawal;
- (3) 60 percent during the third school year following withdrawal;

(4) 40 percent during the fourth school year following withdrawal;
and

(5) 20 percent during the fifth school year following withdrawal.
No further transitional payments will be made following the end of the fifth school year following withdrawal. A student that resides in the withdrawing district at the time of the bills enactment can remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis.

The bill provides that the Commissioner of Education can permit school districts seeking to form or enlarge a regional district to agree to phase-in payment of the amounts each district must pay under the apportionment method adopted by the voters, with such phase-in payment period not to exceed ten years, or to agree to establish a transitional methodology, not to exceed ten years, of the apportionment method adopted by the voters provided that the methodology is agreed to by all participating districts.

The bill provides that when a proposal to form or enlarge a limited purpose or all purpose regional district, or a proposal to convert a limited purpose to an all purpose regional district, is adopted by the voters of the district, a constituent district or board of education, as applicable, must proceed with the regionalization plan in accordance with the provisions of the proposal. Claims that a constituent district or board of education is proceeding with the regionalization plan in a manner inconsistent with the provisions of the plan will be made to the Commissioner of Education. If the commissioner determines that the constituent district or board of education is acting in a manner inconsistent with the provisions of the proposal, the constituent district or board of education must submit plans to the commissioner detailing the steps to be taken to address such inconsistencies.

The bill provides that a limited purpose regional district can convert to an all purpose regional district when a majority of the voters in a majority of the constituent districts that constitute the limited purpose regional district vote to form an all purpose regional district. If an all purpose regional district is formed as a result of a vote by the majority of the voters in a majority of the constituent districts, any constituent district that votes not to join the all purpose regional district can continue to send students that were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose district.

Under the bill, membership of the board of education of the new all purpose regional district formed when only a majority of the voters of the majority of the constituent districts of the limited purpose regional district vote to form an all purpose regional district will be calculated and apportioned upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, with the regional board of education membership to include any district that does not vote to join the all

purpose regional district and continues to send students to the schools of the limited purpose regional district, with each district required to have at least one member. A constituent district that does not vote to join the all purpose regional district but retains membership on the board of education of the newly formed all purpose regional would be permitted to vote on matters provided for under the provisions of the bill.

The bill provides that when all of the constituent districts of a limited purpose regional district vote to add additional purposes that will convert the limited purpose regional district to an all purpose regional district, the constituent districts can calculate and apportion membership of the board of education of the newly formed regional district based upon their inhabitants, with each constituent district required to have at least one member. For the initial term following the election for the creation of the district, two-thirds of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited purpose regional district and one-third of the membership of the board of education of the newly formed all purpose regional district would be selected from among them members of the board of education of the limited purpose regional district proposing to form the all purpose regional district. The first elected members of the board of education of this newly created regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held.

The bill also provides school districts seeking to form new regional districts or enlarge currently existing regional districts with additional methods by which to calculate and apportion the membership on the board of education of the newly formed or enlarged regional district.

Lastly, the bill amends current law to permit a special election to consider the creation or enlargement of a regional district to be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3488

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3488, with committee amendments.

As amended, this bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts.

In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet certain criteria, namely that the proposed regionalization: does not increase or exacerbate the segregation of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw by racial, socio-economic, disability, or English Language Learner status; to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional school district; consolidates school districts that are in close geographic proximity of each other. School districts need not be immediately contiguous as long as the consolidation and any geographic separation is not so large as to contradict the potential for improved efficiency and cost savings; possesses the potential for improved efficiency and cost savings; possesses the potential to advance an enhanced learning environment for participating districts; coordinates curriculum across schools and grades throughout the proposed limited purpose or all purpose regional school district; and reflects a documented commitment from the participating districts to make good faith efforts to implement the recommendations of the feasibility study that promote efficiency and quality of education.

Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent distributed upon the division's acceptance of the completed feasibility study. The bill also provides for preliminary application approval if

the division determines that an application presents sufficient evidence of compliance with the criteria laid out in the bill and the application proposes to form either a countywide school district or an all purpose regional school district through expansion of an existing limited purpose school district.

The bill amends a section of P.L.2018, c.67, commonly referred to as "S-2," to provide financial relief to districts provided approval or preliminary approval under the grant program which have a positive State aid differential and are currently subject to State aid reductions. Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

In addition to certain other requirements, the bill generally permits a new regional school district that is formed following an approved application under the bill's grant program to apply the terms and conditions of employment of the largest constituent school district in full after three years following the formation of the regional district or until a successor agreement is negotiated, whichever occurs first. Under current law, the terms and conditions of employment in a new regional school district are required to be that of the constituent district that employs the largest number of teaching staff members prior to regionalization.

The bill provides that whenever a regional district is formed following the approval of a grant application submitted under the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees shall be recognized by the newly formed regional district as the majority representative of that classification of employees.

Under the bill, a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district is prohibited from, beginning on the date upon which a school district submits an application for a grant program under the provisions of the bill, entering into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly

formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization, or consolidation at which time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) will control.

Under the bill, whenever the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited purpose or all purpose regional district will expire upon the formation of the new regional district, that school district may either (1) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (2) elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except for employees who are superintendents without prior underlying tenure and seniority rights in the affected, constituent, replaced, displaced, or dissolved districts, which form or are part of, or are affected, replaced or displaced by the newly formed or enlarged limited purpose or all purpose regional district, will be recognized and preserved by the newly formed or expanded limited purpose or all purpose regional district and all periods of employment in any of the school districts shall count toward acquisition of tenure and seniority in the newly formed or enlarged limited purpose or all purpose regional district. All statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in any of the districts shall be recognized by the newly formed or enlarged limited purpose or all purpose regional district under the bill. Under the bill, whenever a limited purpose or all-purpose regional district is formed or enlarged, any employee not covered by statutory seniority rights will be placed on a seniority list in accordance with the employee's years of employment in any of the constituent districts for the purposes of employment.

This bill provides that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district, may by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district. Under the bill, the withdrawing school district is

required to pay transitional support to the limited purpose or all purpose regional district or consolidated school district in which it was formerly a member, less the amount paid in tuition dollars under the provisions of the bill, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district or consolidated school district during the final year in which the district or municipality had been a member according to the following schedule:

- (1) 100 percent during the first school year following withdrawal;
 - (2) 80 percent during the second school year following withdrawal;
 - (3) 60 percent during the third school year following withdrawal;
 - (4) 40 percent during the fourth school year following withdrawal;
- and
- (5) 20 percent during the fifth school year following withdrawal.

No further transitional payments will be made following the end of the fifth school year following withdrawal. The bill provides that a student residing in the district on the date the district withdraws under these provisions may remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis, with the tuition to be paid by the withdrawing district.

The bill provides that the Commissioner of Education can permit school districts seeking to form or enlarge a regional district to agree to phase-in payment of the amounts each district must pay under the apportionment method adopted by the voters, with such phase-in payment period not to exceed ten years, or to agree to establish a transitional methodology, not to exceed ten years, of the apportionment method adopted by the voters provided that the methodology is agreed to by all participating districts.

The bill provides that when a proposal to form or enlarge a limited purpose or all purpose regional district, or a proposal to convert a limited purpose to an all purpose regional district, is adopted by the voters of the district, a constituent district or board of education, as applicable, must proceed with the regionalization plan in accordance with the provisions of the proposal. Claims that a constituent district or board of education is proceeding with the regionalization plan in a manner inconsistent with the provisions of the plan will be made to the Commissioner of Education. If the commissioner determines that the constituent district or board of education is acting in a manner inconsistent with the provisions of the proposal, the constituent district or board of education must submit plans to the commissioner detailing the steps to be taken to address such inconsistencies.

Under the bill, a limited purpose regional district can convert to an all purpose regional district by adding additional purposes to the purposes for which the limited purpose regional district was created by

a vote of a majority of the voters in a majority of the constituent districts; however, this provision does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law. If an all purpose regional district is formed as a result of a vote by the majority of the voters in a majority of the constituent districts, any constituent district that votes not to join the all purpose regional district can continue to send students that were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose district.

Under the bill, membership of the board of education of the new all purpose regional district formed when only a majority of the voters of the majority of the constituent districts of the limited purpose regional district vote to form an all purpose regional will be calculated and apportioned upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, with the regional board of education membership to include any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district, with each district required to have at least one member. A constituent district that does not vote to join the all purpose regional but retains membership on the board of education of the newly formed all purpose regional would be permitted to vote on matters provided for under the provisions of the bill.

The bill provides that when all of the constituent districts of a limited purpose regional district vote to add additional purposes that will convert the limited purpose regional district to an all purpose regional district, the constituent districts can calculate and apportion membership of the board of education of the newly formed regional district based upon their inhabitants, with each constituent district required to have at least one member. For the initial term following the election for the creation of the district, two-thirds of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited purpose regional district and one-third of the membership of the board of education of the newly formed all purpose regional district would be selected from among them members of the board of education of the limited purpose regional district proposing to form the all purpose regional district. The first elected members of the board of education of this newly created regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held.

The bill also provides school districts seeking to form new regional districts or enlarge currently existing regional districts with additional

methods by which to calculate and apportion the membership on the board of education of the newly formed or enlarged regional district.

Lastly, the bill amends current law to permit a special election to consider the creation or enlargement of a regional district to be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify the issues that must be addressed in a feasibility study submitted in connection with the grant program established pursuant to the provisions of the bill;

(2) clarify that whenever a regional district is formed following the approval of a grant application submitted pursuant to the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees shall be recognized by the newly formed regional district as the majority representative of that classification of employees.

(3) prohibit a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district from, beginning on the date upon which a school district submits a grant application pursuant to the provisions of the bill, entering into a subcontracting agreement that affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization or consolidation of the constituent districts;

(4) clarify that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district that withdraws from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district will pay transitional support to the limited purpose or all purpose district or consolidated school district from which it withdraws;

(5) clarify that the provisions of the bill that permit a limited purpose regional district to convert to an all purpose regional district by adding additional purposes to the purposes for which the limited

purpose regional district was created by a vote of a majority of the voters in a majority of the constituent districts does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law; and

(6) make technical amendments to the bill to fix typographical errors.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in increased State expenditures to provide grants to participating districts under the bill. The bill does not contain an appropriation for the grant program.

The office notes, however, that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs' Local Efficiency Achievement Program (LEAP).

The State would experience cost increases to the extent that the Department of Education is required to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district.

Certain provisions of the bill would allow school districts and municipalities involved in a school district regionalization effort to spread out potential cost increases resulting from the regionalization over longer periods of time than what is provided under current law.

Certain school districts that are participating school districts under the bill's grant program would receive more State school aid than they otherwise would have received pursuant to the provisions of P.L.2018, c.67 (commonly referred to as "S-2").

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3488
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: MARCH 24, 2021

SUMMARY

- Synopsis:** Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.
- Type of Impact:** State expenditure increase to Property Tax Relief Fund.
Indeterminate fiscal impact on certain local school districts.
- Agencies Affected:** Department of Community Affairs; Department of Education; Local school districts, boards of education, and municipal governing bodies.

Office of Legislative Services Estimate

Fiscal Impact	
State Cost Increase	Indeterminate
Local Fiscal Impact	Indeterminate

- The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in increased State expenditures to provide grants to participating districts under the bill. The bill does not contain an appropriation for the grant program. The office notes, however, that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs’ Local Efficiency Achievement Program (LEAP).
- The State would experience cost increases to the extent that the Department of Education is required to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district.
- Certain provisions of the bill would allow school districts and municipalities involved in a school district regionalization effort to spread out potential cost increases resulting from the regionalization over longer periods of time than what is provided under current law.
- Certain school districts that are participating school districts under the bill’s grant program would receive more State school aid than they otherwise would have received pursuant to the provisions of P.L.2018, c.67 (commonly referred to as “S-2”).

BILL DESCRIPTION

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet specific criteria laid out in the bill. Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division. The bill also provides for preliminary application approval in certain instances.

The bill provides that, whenever a regional district is formed following the approval of a grant application, the salary guide and terms and conditions of employment, whether established through a collective negotiations agreement or past practice, of the constituent school district with the largest number of teaching staff members will apply in full after three years following the formation of the regional district or until a successor agreement is negotiated with the majority representative of the new school district, whichever occurs first.

The Department of Education would reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district provided that the decision to establish or enlarge a limited purpose or all purpose regional district stems from the completion of a feasibility study conducted in connection with the bill's grant program.

Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. The bill also extends the timeline by which a school district receiving approval or preliminary approval under the grant program would experience State aid reductions pursuant to S-2 by a period of four additional years beyond what is provided for under the current State aid reduction timeline.

The bill also includes a variety of other measures concerning the creation and enlargement of regional school districts, the addition of other purposes to certain regional districts, and the withdrawal of certain school districts and governing bodies from regional districts. The bill contains various provisions on the following subjects related to school district regionalization in certain scenarios, including: employment, tenure, and seniority rights; board of education membership; the provision of transitional support in the event that a school district or municipality withdraws from one regional school district to join another regional school district; and the phasing-in of the tax apportionment method adopted by the voters.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES**State Expenditure Increases**

The OLS concludes that the grant program established under this bill may result in increased State expenditures to provide grants to participating districts under the bill. The bill does not contain an appropriation for the grant program. The OLS notes, however, that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs' LEAP. Currently, the LEAP provides Challenge Grants, Implementation Grants, and County Coordinator Fellowships Grants to support various initiatives aimed at increasing shared services and consolidation. In the 12-month FY 2021 period, the LEAP was appropriated a total of \$10 million through the Department of Community Affairs' "Shared Services and School District Consolidation Study and Implementation Grants" line item. Relevant to this bill, of the total \$10 million appropriation, the LEAP's Implementation Grants provide \$2 million for costs associated with school district consolidation studies. The Implementation Grants provide for the reimbursement of costs associated with school district consolidation and countywide school district studies that support the creation of regionalization plans. Publicly available evidence indicates that costs incurred by school districts to conduct school district regionalization studies range from as low as \$20,000 to approximately \$150,000 for regionalization efforts involving a high number of districts.

It is possible that the implementation and administration of the grant program established under the bill can be coordinated or enveloped within the LEAP. The OLS notes that, if this is the case, the implementation of the grant program may lead to increased administrative costs to the extent that such administrative costs are necessary to carry out the grant program in accordance with the provisions of the bill.

The State would experience cost increases to the extent that the Department of Education is required to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district. These election expenses may vary depending on several factors in the participating districts, including the size of the municipalities constituting the districts. Other factors that influence election costs include the printing and transmitting of sample ballots, absentee ballots and ballots for voting machines; transporting election machines to polling stations; payments to election workers; and, where necessary, security for voting machines.

Local Impact

The OLS notes that various provisions of the bill provide alternatives to current law concerning the creation of new regional school districts. These alternatives would, over certain periods of time, spread out potential increases in costs to school districts or municipalities involved in a regionalization effort. For example, current law allows for three methods of cost apportionment when a regional district is created or enlarged. These allowable methods of cost apportionment may be based on equalized property valuation, enrollment, or a combination of property valuation and enrollment. The bill provides that the Commissioner of Education may provide for a 10-year phase-in of the cost apportionment method or another transitional methodology not to exceed 10 years. In addition, under current law, the salary guide and terms and conditions of employment in a new school district is required to be that of the constituent district with the largest number of teaching staff members prior to the creation of the new regional district. It has been noted that the largest constituent district tends to be the highest paying school district. Under this bill, a regional district that is formed following the approval of a grant application would generally be permitted

to apply the salary guide and terms of employment of the largest constituent district in full over a period of three years following the creation of the new district or until a successor agreement is negotiated.

The OLS notes that participating school districts under grant applications that are approved or preliminarily approved and have State aid differentials that are positive would receive more State school aid than they otherwise would have received pursuant to the provisions of S-2. Districts with positive State aid differentials would still be subject to State aid reductions due to their “overfunded” status, but they would experience the reductions under a different, less accelerated schedule than what is provided under S-2. Given that the OLS does not know which districts may receive approval or preliminary approval under the grant program, it cannot predict the impact that the different State aid reduction schedule established under this bill would have on participating districts. In addition, under the bill, regional school districts created following the approval of a grant application would receive the greater of the amount of State school aid that the newly created regional school district would receive as a regional school district or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

Section: Education

*Analyst: Christopher Myles
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 3488

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: JUNE 24, 2021

SUMMARY

- Synopsis:** Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.
- Type of Impact:** Annual State expenditure increase; annual local cost and revenue increases.
- Agencies Affected:** Department of Community Affairs; Department of Education; Local Governments

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
Local Cost Increase		Indeterminate	
Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The magnitude and timing of these State expenditure increases are indeterminate because the extent of the financial incentives that will be provided is not known, nor is how many feasibility studies or elections will be undertaken in a given year.
- Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts; however, as mentioned, the State will provide reimbursement for the increased expenditures. Certain provisions of the bill would allow participating school districts to spread out cost increases

related to regionalization over longer periods of time than what is provided under current law, thereby reducing the budgetary impact on school districts when implementing their regionalization plans.

- In addition to the increased revenues that school districts will receive from State reimbursements related to their feasibility studies and election costs, the bill also provides financial relief to districts given approval or preliminary approval under the grant program and have a positive State aid differential and are therefore subject to State aid reductions. Districts with positive State aid differentials would still be subject to State aid reductions under the bill, but they would experience the reductions under a different, less accelerated schedule than what is provided under the provisions of P.L.2018, c.67 (commonly referred to as S-2).

BILL DESCRIPTION

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet specific criteria laid out in the bill. Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division. The bill also provides for preliminary application approval in certain instances.

The bill provides that, whenever a regional district is formed following the approval of a grant application, the salary guide and terms and conditions of employment, whether established through a collective negotiations agreement or past practice, of the constituent school district with the largest number of teaching staff members will apply in full after three years following the formation of the regional district or until a successor agreement is negotiated with the majority representative of the new school district, whichever occurs first.

The Department of Education would reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district provided that the decision to establish or enlarge a limited purpose or all purpose regional district stems from the completion of a feasibility study conducted in connection with the bill's grant program.

Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. The bill also extends the timeline by which a school district receiving approval or preliminary approval under the grant program would experience State aid reductions pursuant to S-2 by a period of four additional years beyond what is provided for under the current State aid reduction timeline.

The bill also includes a variety of other measures concerning the creation and enlargement of regional school districts, the addition of other purposes to certain regional districts, and the withdrawal of certain school districts and governing bodies from regional districts. The bill contains various provisions on the following subjects related to school district regionalization in

certain scenarios, including: employment, tenure, and seniority rights; board of education membership; the provision of transitional support in the event that a school district or municipality withdraws from one regional school district to join another regional school district; and the phasing-in of the tax apportionment method adopted by the voters.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

State Expenditure Increases

The OLS concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The OLS does not know the number of school districts that will participate in the grant program and ultimately gain approval for their regionalization plans, which precludes the OLS from providing an estimate for how much annual State expenditures are likely to increase. The OLS notes that the bill does not contain an appropriation for the grant program.

The OLS also notes that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs' Local Efficiency Achievement Program (LEAP). Currently, the LEAP provides Challenge Grants, Implementation Grants, and County Coordinator Fellowships Grants to support various initiatives aimed at increasing shared services and consolidation. In the 12-month FY 2021 period, the LEAP was appropriated a total of \$10 million through the Department of Community Affairs' "Shared Services and School District Consolidation Study and Implementation Grants" line item. Relevant to this bill, of the total \$10 million appropriation, the LEAP's Implementation Grants provide \$2 million for costs associated with school district consolidation studies. The Implementation Grants provide for the reimbursement of costs associated with school district consolidation and countywide school district studies that support the creation of regionalization plans. Publicly available evidence indicates that costs incurred by school districts to conduct school district regionalization studies range from as low as \$20,000 to approximately \$150,000 for regionalization efforts involving a larger number of districts.

It is possible that the implementation and administration of the grant program established under the bill can be coordinated or enveloped within the LEAP. The OLS notes that, if this is the case, the implementation of the grant program may lead to increased expenditures to the extent that such administrative costs are necessary to carry out the grant program in accordance with the provisions of the bill.

The State would also experience cost increases to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district. These election expenses may vary depending on several factors in the participating districts, including the size of the municipalities constituting the districts.

Local Cost and Revenue Increases

Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts.

The OLS also notes that various provisions of the bill provide alternatives to current law concerning the creation of new regional school districts. These alternatives would, over certain periods of time, spread out increases in costs to school districts or governing bodies involved in a regionalization effort. For example, current law allows for three methods of cost apportionment when a regional district is created or enlarged. These allowable methods of cost apportionment may be based on equalized property valuation, enrollment, or a combination of property valuation and enrollment. The bill provides that the Commissioner of Education may provide for a 10-year phase-in of the cost apportionment method or another transitional methodology not to exceed 10 years, thereby delaying cost increases for some school districts. In addition, under current law, the salary guide and terms and conditions of employment in a new school district is required to be that of the constituent district with the largest number of teaching staff members prior to the creation of the new regional district. It has been noted that the largest constituent district tends to be the higher paying school district. Under this bill, a regional district that is formed following the approval of a grant application would generally be permitted to apply the salary guide and terms of employment of the largest constituent district in full after a period of three years following the creation of the new district or until a successor agreement is negotiated, whichever occurs first. This change will delay increases in costs for some school districts and allow them time to plan for changes related to their personnel expenditures.

The OLS notes that participating school districts under grant applications that are approved or preliminarily approved and have State aid differentials that are positive would receive more State aid than they otherwise would have received pursuant to the provisions of S-2. Districts with positive State aid differentials would still be subject to State aid reductions, but they would experience the reductions under a different, less accelerated schedule than what is provided under S-2. Given that the OLS does not know which districts may receive approval or preliminary approval under the grant program, it cannot predict the impact that the different State aid reduction schedule established under this bill would have on participating districts. In addition, under the bill, regional school districts created following the approval of a grant application would receive the greater of the amount of State school aid that the newly created regional school district would receive as a regional school district or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. This could result in more State school aid revenues for some school districts than they otherwise would have received.

Section: Education

*Analyst: Adrian Crook
Lead Research Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

SENATE, No. 3488

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: DECEMBER 21, 2021

SUMMARY

- Synopsis:** Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.
- Type of Impact:** Annual State expenditure increase; annual local cost and revenue increases.
- Agencies Affected:** Department of Community Affairs; Department of Education; Local Governments

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
Local Cost Increase		Indeterminate	
Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The magnitude and timing of these State expenditure increases are indeterminate because the extent of the financial incentives that will be provided is not known, nor is how many feasibility studies or elections will be undertaken in a given year.
- Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts; however, as mentioned, the State will provide reimbursement for the increased expenditures. Certain provisions of the bill would allow participating school districts to spread out cost increases

related to regionalization over longer periods of time than what is provided under current law, thereby reducing the budgetary impact on school districts when implementing their regionalization plans.

- In addition to the increased revenues that school districts will receive from State reimbursements related to their feasibility studies and election costs, the bill also provides financial relief to districts given approval or preliminary approval under the grant program and have a positive State aid differential and are therefore subject to State aid reductions. Districts with positive State aid differentials would still be subject to State aid reductions under the bill, but they would experience the reductions under a different, less accelerated schedule than what is provided under the provisions of P.L.2018, c.67 (commonly referred to as S-2).

BILL DESCRIPTION

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet specific criteria laid out in the bill. Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division. The bill also provides for preliminary application approval in certain instances.

The bill provides that, whenever a regional district is formed following the approval of a grant application, the salary guide and terms and conditions of employment, whether established through a collective negotiations agreement or past practice, of the constituent school district with the largest number of teaching staff members will apply in full after three years following the formation of the regional district or until a successor agreement is negotiated with the majority representative of the new school district, whichever occurs first.

The Department of Education would reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district provided that the decision to establish or enlarge a limited purpose or all purpose regional district stems from the completion of a feasibility study conducted in connection with the bill's grant program.

Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. The bill also extends the timeline by which a school district receiving approval or preliminary approval under the grant program would experience State aid reductions pursuant to S-2 by a period of four additional years beyond what is provided for under the current State aid reduction timeline.

The bill also includes a variety of other measures concerning the creation and enlargement of regional school districts, the addition of other purposes to certain regional districts, and the withdrawal of certain school districts and governing bodies from regional districts. The bill contains various provisions on the following subjects related to school district regionalization in certain scenarios, including: employment, tenure, and seniority rights; board of education

membership; the provision of transitional support in the event that a school district or municipality withdraws from one regional school district to join another regional school district; and the phasing-in of the tax apportionment method adopted by the voters.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

State Expenditure Increases

The OLS concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The OLS does not know the number of school districts that will participate in the grant program and ultimately gain approval for their regionalization plans, which precludes the OLS from providing an estimate for how much annual State expenditures are likely to increase. The OLS notes that the bill does not contain an appropriation for the grant program.

The OLS also notes that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs' Local Efficiency Achievement Program (LEAP). Currently the LEAP provides Challenge Grants, Implementation Grants, and County Coordinator Fellowships Grants to support various initiatives aimed at increasing shared services and consolidation. In the 12-month FY 2021 period, the LEAP was appropriated at a total of \$10 million through the Department of Community Affairs' "Shared Services and School District Consolidation Study and Implementation Grants" line item. Relevant to this bill, of the total \$10 million appropriation, the LEAP's Implementation Grants provide \$2 million for costs associated with school district consolidation and countywide school district studies that support the creation of regionalization plans. Publicly available evidence indicates that costs incurred by school districts to conduct school district regionalization studies range from as low as \$20,000 to approximately \$150,000 for regionalization efforts involving a larger number of districts.

It is possible that the implementation and administration of the grant program established under the bill can be coordinated or enveloped within the LEAP. The OLS notes that, if this is the case, the implementation of the grant program may lead to increased expenditures to the extent that such administrative costs are necessary to carry out the grant program in accordance with the provisions of the bill.

The State would also experience cost increases to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district. These election expenses may vary depending on several factors in the participating districts, including the size of the municipalities constituting the districts.

Local Cost and Revenue Increases

Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts.

The OLS also notes that various provisions of the bill provide alternatives to current law concerning the creation of new regional school districts. These alternatives would, over certain periods of time, spread out increases in costs to school districts or governing bodies involved in a regionalization effort. For example, current law allows for three methods of cost apportionment when a regional district is created or enlarged. These allowable methods of cost apportionment may be based on equalized property valuation, enrollment, or a combination of property valuation and enrollment. The bill provides that the Commissioner of Education may provide for a 10-year phase-in of the cost apportionment method or another transitional methodology not to exceed 10 years, thereby delaying cost increases for some school districts. In addition, under current law, the salary guide and terms and conditions of employment in a new school district is required to be that of the constituent district with the largest number of teaching staff members prior to the creation of the new regional district. Under this bill, a regional district that is formed following the approval of a grant application would generally be permitted to apply the salary guide and terms of employment of the largest constituent district in full after a period of three years following the creation of the new district or until a successor agreement is negotiated, whichever occurs first. This change will delay increases in costs for some school districts and allow them time to plan for changes related to their personnel expenditures.

The OLS notes that participating school districts under grant applications that are approved or preliminarily approved and have State aid differentials that are positive would receive more State aid than they otherwise would have received pursuant to the provisions of S-2. Districts with positive State aid differentials would still be subject to State aid reductions, but they would experience the reductions under a different, less accelerated schedule than what is provided under S-2. Given that the OLS does not know which districts may receive approval or preliminary approval under the grant program, it cannot predict the impact that the different State aid reduction schedule established under this bill would have on participating districts. In addition, under the bill, regional school districts created following the approval of a grant application would receive the greater of the amount of State school aid that the newly created regional school district would receive as a regional school district or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. This could result in more State school aid revenues for some school districts than they otherwise would have received.

Section: Education

*Analyst: Abigail Chambers
Assistant Research Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 5537

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 5, 2021

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

SYNOPSIS

Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/1/2021)

1 AN ACT concerning school district regionalization, amending
2 various parts of the statutory law, and supplementing chapter 13
3 of Title 18A of the New Jersey Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) As used in sections 2 through 8 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill):

10 “Board of education” means and includes the board of education
11 of a local school district, consolidated school district, non-operating
12 school district, and the board of education of a limited purpose or
13 all purpose regional district.

14 “Division” means the Division of Local Government Services in
15 the Department of Community Affairs.

16 “Governing body” means and includes, in the event that a school
17 district enumerated herein does not have a board of education, the
18 governing body of a local school district, consolidated school
19 district, and the governing body of a municipality constituting a
20 constituent district of a limited purpose or all purpose regional
21 district.

22 “Participating district” means a school district whose board of
23 education or governing body, as applicable, by resolution certifies a
24 commitment to participate in a feasibility study submitted as part of
25 an application under the grant program established pursuant to
26 section 2 of P.L. , c. (C.) (pending before the Legislature
27 as this bill).

28 “School district” means and includes a local school district,
29 consolidated school district, non-operating school district, a
30 constituent school district, and a limited purpose or all purpose
31 regional district.

32
33 2. (New section) The Division of Local Government Services in
34 the Department of Community Affairs shall establish a grant
35 program, within the limit of funds appropriated or otherwise made
36 available for the program, the purpose of which shall be to provide
37 for the reimbursement of eligible costs associated with conducting
38 feasibility studies that support the creation of meaningful and
39 implementable plans to form or expand regional school districts. In
40 addition to funds being made available to boards of education and
41 governing bodies seeking to conduct feasibility studies after the
42 date of enactment of P.L. , c. (C.) (pending before the
43 Legislature as this bill), funds under the grant program shall be
44 made available to:

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 a. the boards of education or governing bodies of two or more
2 school districts which have conducted within two years prior to the
3 enactment of P.L. , c. (C.) (pending before the Legislature
4 as this bill) a feasibility study for which no prior reimbursement
5 was made; and

6 b. the boards of education or governing bodies of two or more
7 school districts that are in the process of conducting a feasibility
8 study as of the date of enactment of P.L. , c. (C.) (pending
9 before the Legislature as this bill).

10

11 3. (New section) a. The boards of education or governing
12 bodies of two or more school districts seeking to form a limited
13 purpose or all purpose regional district and that wish to apply for
14 funding under the grant program established pursuant to section 2
15 of P.L. , c. (C.) (pending before the Legislature as this bill)
16 shall jointly submit an application to the division. The application
17 shall identify and designate at least one project coordinator from
18 one or more participating districts who shall be responsible for
19 overseeing the activities associated with conducting the feasibility
20 study proposed under the application and for fulfilling any
21 requirements prescribed by the division in the receipt of a grant
22 under the program. The application shall also include:

23 (1) copies of the resolutions adopted by all participating boards
24 of education or governing bodies, as applicable, certifying a
25 commitment to participate in a feasibility study. An application
26 may propose a feasibility study that would include an analysis of
27 the inclusion of non-participating districts in a proposed regional
28 district, in which case the application shall state that the feasibility
29 study will present findings and recommendations related both to the
30 consolidation of participating districts into a regional district and
31 alternative findings and recommendations contingent upon the
32 inclusion of the non-participating districts;

33 (2) a detailed narrative describing the proposed regionalization
34 plan or plans to be studied, as well as potential areas for educational
35 and fiscal improvement. The feasibility study shall include, but
36 need not be limited to, options to address issues related to:

37 (a) facility utilization;

38 (b) cost sharing and methods of apportionment, including but
39 not limited to, equalized valuation, pupil enrollment, or a
40 combination of the two as well as whether such apportionment
41 should take effect immediately or on a phase-in or transitional basis
42 over a certain number of years;

43 (c) the allocation of existing school debt and proceeds from the
44 sale of unutilized or underutilized facilities;

45 (d) projected enrollment trends, including the impact on the
46 demographic breakdown of the student population, including race,
47 ethnicity, and national origin, and projected changes in class size;

- 1 (e) current and projected staffing needs and costs, including
2 retirement and attrition trends for instructional, administrative, and
3 support staff;
- 4 (f) an analysis of the differences in the salaries and terms and
5 conditions of employment in elementary, middle, and high school
6 teachers', administrators', and support staffs' contracts among the
7 various districts, which analysis shall be developed by school
8 districts and the majority representatives of all recognized
9 bargaining units;
- 10 (g) State aid and tax revenue projections;
- 11 (h) potential cost savings from regionalization;
- 12 (i) student seat time and distance traveled, as well as potential
13 increased or reduced transportation costs;
- 14 (j) kindergarten through 12 curriculum coordination
15 improvements;
- 16 (k) enrichment of educational programs for students; and
- 17 (l) calculation and methods of apportionment for determining
18 membership on the regional district board of education among the
19 constituent districts;
- 20 (3) a description of the intended use of grant funding in
21 supporting the costs associated with conducting the feasibility
22 study;
- 23 (4) a demonstration of the boards' or governing bodies'
24 capacities to oversee the proposed feasibility study;
- 25 (5) a list of personnel or outside consultants who would be
26 conducting the feasibility study, which consultants shall be selected
27 in accordance with applicable State law;
- 28 (6) a plan to incorporate public and stakeholder participation
29 and ideas in the regionalization study process, which shall include
30 school board members, parents, teachers, administrators, non-
31 instructional staff, union representatives, municipal officials, and
32 interested citizens; and
- 33 (7) any other materials or information as may be required by the
34 division to effectively evaluate the proposed feasibility study and
35 assess the costs associated with conducting the feasibility study.
- 36 b. In order to be eligible to receive a grant under the grant
37 program established pursuant to section 2 of P.L. , c. (C.)
38 (pending before the Legislature as this bill), the boards of education
39 or governing bodies shall demonstrate that the proposed
40 regionalization:
 - 41 (1) does not increase or exacerbate the segregation of students
42 enrolled in the school districts seeking to consolidate or, as
43 applicable, in the school districts from which a school district is
44 seeking to withdraw by racial, socio-economic, disability, or
45 English Language Learner status;
 - 46 (2) to the maximum extent practicable, will lead to the
47 establishment of a limited purpose or all purpose regional district;

1 (3) consolidates school districts that are in close geographic
2 proximity of each other. School districts need not be immediately
3 contiguous as long as any geographic separation is not so large as to
4 contradict the potential for improved efficiency and cost savings;

5 (4) possesses the potential for improved efficiency and cost
6 savings;

7 (5) possesses the potential to advance an enhanced learning
8 environment for participating districts;

9 (6) coordinates curriculum across schools and grades throughout
10 the proposed limited purpose or all purpose regional school; and

11 (7) reflects a documented commitment from the participating
12 districts to make good faith efforts to implement the
13 recommendations of the feasibility study that promote efficiency
14 and quality of education.

15 c. The Commissioner of Education shall review every
16 application submitted pursuant to this section, except for an
17 application eligible for preliminary approval pursuant to subsection
18 b. of section 4 of P.L. , c. (C.) (pending before the
19 Legislature as this bill), and shall certify, in writing, that the newly
20 formed or enlarged regional district will not increase or exacerbate
21 segregation among the districts seeking to regionalize or, as
22 applicable, the schools districts from which a school district is
23 seeking to withdraw.

24
25 4. (New section) a. The division shall review all applications
26 submitted pursuant to section 3 of P.L. , c. (C.) (pending
27 before the Legislature as this bill) and shall only approve
28 applications that meet the eligibility criteria set forth in subsection
29 b. of section 3 of P.L. , c. (C.) (pending before the
30 Legislature as this bill) and that are certified by the commissioner
31 pursuant to subsection c. of section 3 of P.L. , c. (C.)
32 (pending before the Legislature as this bill). Boards of education or
33 governing bodies whose applications are denied approval for a grant
34 shall be provided a notice describing the reasons for the denial and
35 the applicant shall be afforded an opportunity for a hearing before
36 an administrative law judge to contest the decision, which shall
37 conform with the provisions applicable to such contested cases in
38 this State as set forth in statute and regulation.

39 b. The division may grant preliminary approval of an application
40 submitted by the boards of education or governing bodies of two or
41 more school districts pursuant to section 3 of P.L. , c. (C.)
42 (pending before the Legislature as this bill) if the division
43 determines that the application contains sufficient evidence to
44 demonstrate that the proposed regionalization complies with the
45 criteria enumerated in subsection b. of section 3 of P.L. ,
46 c. (C.) (pending before the Legislature as this bill) and is
47 proposing to:

48 (1) form a countywide school district; or

1 (2) form an all purpose regional district by expanding an
2 existing limited purpose regional district through consolidation with
3 some or all of the constituent school districts of the existing limited
4 purpose regional district.

5 The division shall establish guidelines governing preliminary
6 approval of applications submitted pursuant to this subsection. A
7 participating district that is part of an application that receives
8 preliminary approval under this subsection and that has a State aid
9 differential that is positive may elect to receive State school aid
10 pursuant to the schedule established in paragraph (4) of subsection
11 c. of section 4 of P.L.2018, c.67 (C.18A:7F-68).

12 c. Boards of education or governing bodies receiving application
13 approval pursuant to this section shall be reimbursed for any
14 eligible costs of the feasibility study up to an amount or percentage
15 to be annually determined by the division, with 50 percent of the
16 grant award to be distributed upon the division's final approval of
17 the grant application and the remaining 50 percent of the grant
18 award to be distributed upon the division's acceptance of the
19 completed feasibility study. Boards of education or governing
20 bodies receiving application approval pursuant to subsection a. of
21 this section, which have conducted within two years prior to the
22 enactment of P.L. , c. (C.) (pending before the Legislature
23 as this bill) a feasibility study for which no prior reimbursement
24 was made, shall be eligible for reimbursement up to an amount or
25 percentage to be determined by the division of any costs associated
26 with conducting the study upon execution of the regionalization
27 outlined in the boards' or governing bodies' application. The
28 division shall also annually determine the costs that are eligible and
29 ineligible for reimbursement under this section.

30

31 5. (New section) a. Notwithstanding the provisions of section 2
32 of P.L.1995, c.294 (C.18A:6-31.4) or of any other law, rule, or
33 regulation to the contrary, whenever a regional district is formed
34 following the approval of an application pursuant to section 4 of
35 P.L. , c. (C.) (pending before the Legislature as this bill):

36 (1) the salary guide and terms and conditions of employment,
37 whether established through a collective negotiations agreement or
38 past practice, of the largest constituent school district shall apply in
39 full after three years following the formation of the regional district
40 or until a successor agreement is negotiated with the majority
41 representative of the new school district, whichever occurs
42 first. The salary guide and terms and conditions of employment
43 that will apply pursuant to the provisions of this subsection shall be
44 based upon the terms and conditions of employment of the largest
45 constituent district made up of only the identical grade levels. In
46 the event that there is no constituent district made up of only the
47 identical grade levels, the salary guide and terms and conditions of
48 employment that will apply pursuant to the provisions of this

1 subsection shall be provided based upon the terms and conditions of
2 employment of the largest constituent district containing the
3 identical grade levels; and

4 (2) in the event that there is an employee bargaining unit in a
5 constituent school district with the next largest number of
6 employees and with a majority representative of the unit, which is
7 not so represented in the largest school district, the terms and
8 conditions of employment for all employees holding positions in
9 that unit in the newly formed regional district shall apply provided
10 that the terms and conditions of employment shall only apply to the
11 newly formed regional district's employees in that bargaining unit.

12 b. Notwithstanding the provisions of the "New Jersey
13 Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1
14 et seq.) or of any other law, rule, or regulation to the contrary,
15 whenever a regional district is formed following the approval of an
16 application pursuant to section 4 of P.L. , c. (C.) (pending
17 before the Legislature as this bill), the newly formed regional
18 district shall recognize the majority representative of the
19 classification of employees in the largest constituent district as the
20 majority representative of those employees, except that if the largest
21 constituent district does not represent that classification of
22 employees, then the majority representative of the next largest
23 constituent district that represents that classification of employees
24 shall be recognized by the newly formed regional district as the
25 majority representative of that classification of employees.

26 c. As used in this section, "largest constituent school district"
27 means the school district that employs the largest number of
28 teaching staff members.

29

30 6. (New section) The Department of Education shall reimburse
31 participating districts for any costs incurred to hold an election to
32 establish or enlarge a limited purpose or all purpose regional district
33 provided that the decision to establish or enlarge a limited purpose
34 or all purpose regional district stems from the completion of a
35 feasibility study conducted in connection with the grant program
36 established pursuant to section 2 of P.L. , c. (C.) (pending
37 before the legislature as this bill).

38

39 7. (New section) The Division of Local Government Services in
40 the Department of Community Affairs shall provide notice to the
41 Senate President, the Speaker of the General Assembly, the
42 Minority Leader of the Senate, and the Minority Leader of the
43 General Assembly upon the division's receipt of an application for
44 a grant award submitted pursuant to section 4 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill). The
46 notice shall be provided within 15 days of the division's receipt of
47 the application and shall include information identifying each
48 applicant seeking a grant award.

1 8. (New section) The Division of Local Government Services in
2 the Department of Community Affairs, in consultation with the
3 Department of Education, shall submit a report on the
4 implementation of the grant program established pursuant to section
5 2 of P.L. , c. (C.) (pending before the Legislature as this
6 bill) to the Governor, and to the Legislature pursuant to section 2 of
7 P.L.1991, c.164 (C.52:14-19.1) within one year following the date
8 of enactment of P.L. , c. (C.) (pending before the
9 Legislature as this bill) and annually thereafter. The report shall
10 include, but not be limited to:

11 a. an analysis of the grant program identifying:

12 (1) the boards of education or governing bodies that applied for
13 a grant;

14 (2) the boards of education or governing bodies that were
15 awarded a grant;

16 (3) the amount of each grant awarded;

17 (4) the availability of any funds remaining under the grant
18 program; and

19 (5) the reasoning behind the denial of any grant application;

20 b. a description of the experience of the boards of education or
21 governing bodies that applied and were approved for grant funding,
22 including the status and analysis of any feasibility studies
23 conducted with grant funding;

24 c. information on whether any grant recipients completed
25 regionalization;

26 d. an analysis of any legal, financial, educational, or other
27 factors that either facilitated or impeded the expansion or creation
28 of a regional district by participating districts including, but not
29 limited to, recommendations to existing State laws or regulations
30 that would remove impediments to regionalization; and

31 e. recommendations as to the feasibility and advisability of
32 expanding the grant program.

33

34 9. (New section) Notwithstanding any law, rule, or regulation to
35 the contrary, whenever the salary guide and terms and conditions of
36 employment of one or more school districts seeking to join a newly
37 formed or existing limited purpose or all purpose regional district is
38 set to expire upon the formation of the new regional district, the
39 school district may:

40 a. elect to adopt the expiring salary guide and terms and
41 conditions of employment for a period not to exceed one year or
42 until a successor agreement is negotiated with the majority
43 representative of the new regional district, whichever occurs first;
44 or

45 b. elect to adopt the salary guide and terms and conditions of
46 employment of the largest comparable district joining the new
47 regional district.

1 10. (New section) Notwithstanding section 3 of P.L.1995, c.294
2 (C.18A:6-31.5) or any other law, rule, or regulation to the contrary,
3 whenever a limited purpose or all purpose regional district is
4 formed or enlarged, the tenure and seniority rights of all employees
5 from the affected, constituent, replaced, displaced, or dissolved
6 districts, except for employees who are superintendents without
7 prior underlying tenure and seniority rights in the affected,
8 constituent, replaced, displaced, or dissolved districts, which form
9 or are a part of, or are affected, replaced, or displaced by the newly
10 formed or enlarged limited purpose or all purpose regional district,
11 shall be recognized and preserved by the newly formed or enlarged
12 limited purpose or all purpose regional district and all periods of
13 employment in any of the school districts shall count toward
14 acquisition of tenure and seniority in the newly formed or enlarged
15 limited purpose or all purpose regional district. All statutory and
16 contractual rights to accumulated sick leave, leave of absence, and
17 pension of an employee that have been acquired through
18 employment in any of the districts shall be recognized by the newly
19 formed or enlarged limited purpose or all purpose regional district.
20 Notwithstanding the provisions of this section or any other law,
21 rule, or regulation to the contrary, whenever a limited purpose or
22 all-purpose regional district is formed or enlarged, any employee
23 not covered by statutory seniority rights shall be placed on a
24 seniority list in accordance with the employee's years of
25 employment in any of the constituent districts for the purposes of
26 employment.

27
28 11. (New section) a. Notwithstanding any other law, rule, or
29 regulation to the contrary, a board of education of a local school
30 district or of a local school district constituting part of a limited
31 purpose regional district, the governing body of a non-operating
32 school district, or the governing body of a municipality constituting
33 part of a constituent district of a limited purpose regional district,
34 part of an all purpose regional district, or part of a consolidated
35 school district may, by resolution, withdraw from a limited purpose
36 or all purpose regional district or consolidated school district in
37 order to form or enlarge a limited purpose or all purpose regional
38 district provided that the withdrawal:

39 (1) is approved by the Commissioner of Education as meeting
40 the criteria set forth in paragraphs (2) through (8) of this subsection,
41 which approval shall be obtained prior to any election held to
42 determine whether to form or enlarge a limited purpose or all
43 purpose regional district that the withdrawing board of education or
44 governing body will join;

45 (2) does not increase or exacerbate the segregation of students
46 enrolled in the school districts seeking to consolidate or in the
47 regional district or consolidated school district from which a school

1 district is seeking to withdraw by racial, socio-economic, disability,
2 or English Language Learner status;

3 (3) consolidates school districts that are in close geographic
4 proximity of each other. School districts need not be immediately
5 contiguous as long as any geographic separation is not so large as to
6 contradict the potential for improved efficiency and cost savings;

7 (4) to the maximum extent practicable, reduces student seat time
8 and transportation costs;

9 (5) possesses the potential for improved efficiency and cost
10 savings;

11 (6) possesses the potential to advance an enhanced learning
12 environment for participating school districts;

13 (7) coordinates curriculum across schools and grades throughout
14 the proposed limited purpose or all purpose regional district; and

15 (8) reflects a documented commitment from the affected boards
16 of education to make good faith efforts to implement practices that
17 promote efficiency and quality of education.

18 b. A board of education of a local school district or of a local
19 school district constituting part of a limited purpose regional
20 district, the governing body of a non-operating school district, or
21 the governing body of a municipality constituting part of a
22 constituent district of a limited purpose regional district, part of an
23 all purpose regional district, or part of a consolidated school district
24 that withdraws from a limited purpose or all purpose regional
25 district or consolidated school district pursuant to the provisions of
26 subsection a. of this section shall pay transitional support to the
27 limited purpose or all purpose regional district in which it was
28 formerly a member, less the tuition dollars paid pursuant to
29 subsection c. of this section, in an amount equal to the difference
30 between the amount to be paid to the limited purpose or all purpose
31 regional district of which the district or municipality will be a
32 member and the amount paid to the former limited purpose or all
33 purpose regional district during the final year in which the district
34 or municipality had been a member according to the following
35 schedule:

36 (1) 100 percent during the first school year following
37 withdrawal;

38 (2) 80 percent during the second school year following
39 withdrawal;

40 (3) 60 percent during the third school year following
41 withdrawal;

42 (4) 40 percent during the fourth school year following
43 withdrawal; and

44 (5) 20 percent during the fifth school year following withdrawal.

45 A board of education of a local school district or of a local school
46 district constituting part of a limited purpose regional district, the
47 governing body of a non-operating school district, or the governing
48 body of a municipality constituting part of a constituent district of a

1 limited purpose regional district, part of an all purpose regional
2 district, or part of a consolidated school district shall not be
3 responsible for any further transitional payments required pursuant
4 to this subsection following the end of the fifth school year
5 following withdrawal.

6 c. A student residing in the withdrawing district as of the date
7 of enactment of P.L. , c. (C.) (pending before the
8 Legislature as this bill) may remain in the school in which the
9 student is enrolled at the time of withdrawal on a tuition basis,
10 which tuition shall be paid by the withdrawing district.

11

12 12. (New section) a. Notwithstanding the provisions of
13 N.J.S.18A:13-34 or any other law, rule, or regulation to the
14 contrary, the Commissioner of Education may permit the board of
15 education of a regional district and the board or boards of education
16 of one or more local districts, boards of education of two or more
17 local districts, the board of education of a consolidated district, or
18 the board of education of a district comprising two or more
19 municipalities seeking to form or enlarge a limited purpose or all
20 purpose regional district to agree to phase-in payment of the amount
21 to be paid by each district under the apportionment method adopted
22 by the voters. The phase-in payment schedule shall be for a period
23 not to exceed 10 years. Following completion of the phase-in
24 payment period, the method of apportionment shall revert to full
25 payment under the method approved by the voters.

26 b. Notwithstanding the provisions of N.J.S.18A:13-34 or any
27 other law, rule, or regulation to the contrary, the Commissioner of
28 Education may permit the board of education of a regional district
29 and the board or boards of education of one or more local districts,
30 boards of education of two or more local districts, the board of
31 education of a consolidated district, or the board of education of a
32 district comprising two or more municipalities seeking to form or
33 enlarge a limited purpose or all purpose regional district to agree to
34 establish a transitional methodology, not to exceed 10 years, of the
35 apportionment method adopted by the voters provided that the
36 methodology is agreed to by all participating districts.

37

38 13. (New section) a. Notwithstanding any law, rule, or
39 regulation to the contrary, when a proposal to form a limited
40 purpose or all purpose regional district is submitted to the voters
41 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
42 voters pursuant to N.J.S.18A:13-35, a board of education shall
43 proceed with the regionalization plan in accordance with the
44 provisions of the proposal. Any claim that a board of education is
45 proceeding with the regionalization plan in a manner inconsistent
46 with the provisions of the proposal shall be made directly to the
47 Commissioner of Education.

1 b. In the event that the commissioner determines that a board of
2 education is acting in a manner inconsistent with the provisions of a
3 proposal adopted pursuant to N.J.S.18A:13-35, such board of
4 education shall submit plans to the commissioner detailing the steps
5 to be taken to address such inconsistencies.

6
7 14. (New section) a. Notwithstanding any law, rule, or
8 regulation to the contrary, when a proposal to enlarge a limited
9 purpose or all purpose regional district is submitted to the voters
10 pursuant to N.J.S.18A:13-43, and the proposal is adopted by the
11 voters pursuant to N.J.S.18A:13-44, a board of education of the
12 regional district and the board or boards of education of one or
13 more local districts determined to enlarge the regional district shall
14 proceed with the regionalization plan in accordance with the
15 provisions of the proposal. Any claim that a board of education is
16 proceeding with the regionalization plan in a manner inconsistent
17 with the provisions of the proposal shall be made directly to the
18 Commissioner of Education.

19 b. In the event that the commissioner determines that a board of
20 education of a regional district or of one or more local districts is
21 acting in a manner inconsistent with the provisions of a proposal
22 adopted pursuant to N.J.S.18A:13-44, such board of education shall
23 submit plans to the commissioner detailing the steps to be taken to
24 address such inconsistencies.

25
26 15. (New section) a. Notwithstanding any law, rule, or
27 regulation to the contrary, when a proposal to add to the purposes
28 for which a regional district was created is submitted to the voters
29 and adopted pursuant to N.J.S.18A:13-33, the board of education of
30 a constituent district and of the limited purpose or all purpose
31 regional district, as applicable, shall proceed with the
32 regionalization plan in accordance with the provisions of the
33 proposal. Any claim that a board of education of a constituent
34 district or the board of education of the limited purpose or all
35 purpose regional district, as applicable, is proceeding with the
36 regionalization plan in a manner inconsistent with the provisions of
37 the proposal shall be made directly to the Commissioner of
38 Education.

39 b. In the event that the commissioner determines that a board of
40 education of a constituent district or the board of education of the
41 limited purpose or all purpose regional district, as applicable, is
42 acting in a manner inconsistent with the provisions of a proposal
43 adopted pursuant to N.J.S.18A:13-33, such board of education shall
44 submit plans to the commissioner detailing the steps to be taken to
45 address such inconsistencies.

46
47 16. (New section) a. Notwithstanding any law, rule, or
48 regulation to the contrary, if a proposal to add additional purposes

1 will convert a regional district from a limited purpose regional
2 district to an all purpose regional district, the proposal shall be
3 submitted to the voters of each of the constituent districts of the
4 regional district instead of at large to the voters of the regional
5 district, and said proposal to convert a limited purpose regional
6 district to an all purpose regional district may be considered
7 adopted if a majority of the voters in a majority of the constituent
8 districts that constitute the limited purpose regional district vote to
9 form an all purpose regional district. Notwithstanding any law,
10 rule, or regulation to the contrary, a board of education of a
11 constituent district of a limited purpose regional district that does
12 not vote to join an all purpose regional district pursuant to the
13 provisions of this subsection may continue to send such students as
14 were enrolled in the limited purpose regional district to the schools
15 that were established as part of the limited purpose regional district.

16 b. Notwithstanding any law, rule, or regulation to the contrary,
17 if a proposal to add additional purposes to a limited purpose
18 regional district is adopted pursuant to the provisions of subsection
19 a. of this section, the constituent districts constituting the limited
20 purpose regional district shall calculate and apportion the
21 membership of the board of education of the newly formed all
22 purpose regional district upon the basis of a proportional number of
23 pupils enrolled from each constituent district that constitutes the
24 limited purpose regional district, including any district that does not
25 vote to join the all purpose regional district and continues to send
26 students to the schools of the limited purpose regional district
27 pursuant to subsection a. of this section. However, each constituent
28 district, including any district that does not vote to join the all
29 purpose regional district and continues to send students to the
30 schools of the limited purpose regional district pursuant to
31 subsection a. of this section, shall have at least one member. A
32 constituent district that does not vote to join the all purpose regional
33 district but retains membership on the board of education of the
34 newly formed all purpose regional district pursuant to the
35 provisions of this subsection shall be eligible to vote on the
36 following matters before the all purpose regional board of
37 education:

38 (1) the amounts to be raised for annual or special appropriations
39 and the apportionment method to be used pursuant to N.J.S.18A:13-
40 34;

41 (2) the bill lists or contracts for the purchase, operation or
42 maintenance of facilities, equipment and instructional materials to
43 be used in the education of the pupils of the constituent district that
44 does not vote to join the all purpose regional district;

45 (3) new capital construction to be utilized by the constituent
46 district that does not vote to join the all purpose regional district;

47 (4) appointment, transfer, or removal of teaching staff members
48 and administrators providing services to pupils of the constituent

1 district that does not vote to join the all purpose regional district;
2 and

3 (5) addition or deletion of curricular and extracurricular
4 programs involving pupils of the constituent district that does not
5 vote to join the all purpose regional district.

6
7 17. (New section) a. Notwithstanding any law, rule, or
8 regulation to the contrary, when a limited purpose regional district
9 is proposing to add additional purposes that will convert the limited
10 purpose regional district to an all purpose regional district, the
11 constituent districts may by resolution frame and adopt a proposal
12 to calculate and apportion the membership of the board of education
13 of the newly formed all purpose regional district among the
14 constituent districts as nearly as may be according to the number of
15 their inhabitants, except that each constituent district shall have at
16 least one member.

17 The new members of the board of education of the newly created
18 all purpose regional district, who shall serve until the election of the
19 first elected members of the newly formed regional district pursuant
20 to the provisions of subsection b. of this section, shall be selected as
21 follows:

22 (1) two-thirds shall be selected from among the members of the
23 boards of education or governing bodies of the constituent districts
24 constituting the limited purpose regional district; and

25 (2) one-third shall be selected from among the members of the
26 board of education of the limited purpose regional district
27 proposing to add additional purposes, with such members selected
28 according to the number of each constituent districts' inhabitants.

29 b. Notwithstanding any law, rule, or regulation to the contrary,
30 the first elected members of the board of education of the newly
31 formed regional district shall be elected in accordance with the
32 proposal to calculate and apportion the membership of the board of
33 education adopted pursuant to subsection a. of this section at the
34 annual election to be held in the calendar year first succeeding the
35 year in which the election for the creation of the district was held.

36
37 18. (New section) a. Notwithstanding the provisions of
38 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
39 the boards of education proposing to form a newly created regional
40 district may by resolution frame and adopt a proposal to calculate
41 and apportion the membership of the board of education of the
42 newly created regional district according to the number of each
43 constituent districts' inhabitants, except that each constituent
44 district shall have at least one member. The calculation and method
45 of apportionment chosen pursuant to the provisions of this
46 subsection need not be approved by the commissioner or his
47 representative. If the commissioner or his representative
48 determines that it is advisable for such districts to form a newly

1 created regional district, and the question of whether or not the
2 proposal to create a regional district is submitted to the voters
3 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
4 voters pursuant to N.J.S.18A:13-35, then the members of the board
5 of education of the newly formed regional district shall be selected
6 from among the members of the boards of education of each
7 constituent district of the newly created regional district, who shall
8 serve until the election of the first elected members of the newly
9 created regional district pursuant to the provisions of subsection b.
10 of this section, in accordance with the proposal to calculate and
11 apportion the membership of the board of education adopted
12 pursuant to this subsection.

13 b. Notwithstanding any law, rule, or regulation to the contrary,
14 the first elected members of the board of education of a newly
15 created regional district shall be elected in accordance with the
16 proposal to calculate and apportion the membership of the board of
17 education adopted pursuant to subsection a. of this section at the
18 annual election to be held in the calendar year first succeeding the
19 year in which the election for the creation of the district was held.

20

21 19. (New section) a. Notwithstanding the provisions of
22 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
23 the board of education of a regional district and the board or boards
24 of education of one or more local districts determined to enlarge the
25 regional district may by resolution frame and adopt a proposal to
26 calculate and apportion the membership of the enlarged board of
27 education according to the number of each constituent districts'
28 inhabitants, except that each constituent district shall have at least
29 one member. The calculation and method of apportionment chosen
30 pursuant to the provisions of this subsection need not be approved
31 by the commissioner or his representative. If the commissioner or
32 his representative determines that it is advisable to enlarge the
33 regional district to include the local district or districts therein, and
34 the question of whether or not the proposal to enlarge the regional
35 district is submitted to the voters pursuant to N.J.S.18A:13-43, and
36 the proposal is adopted by the voters pursuant to N.J.S.18A:13-44,
37 then all members of the board of education of the enlarged regional
38 district shall be elected in accordance with the proposal to calculate
39 and apportion the membership of the board of education adopted
40 pursuant to this subsection at the next annual school election after
41 the election to enlarge the regional district.

42 b. For an enlarged regional district with a board of education
43 apportioned pursuant to this section, the board of education of the
44 new constituent district of the enlarged regional district shall, not
45 later than 30 days after the election for the enlargement thereof,
46 appoint one member of the enlarged board of education of the
47 regional district from among the members of the board of education
48 of the new constituent district, and the member so appointed shall

1 serve until the first Monday succeeding the first annual April school
2 election of the enlarged regional district. In the case of a regional
3 district in which the annual school election is in November, the
4 member so appointed shall serve until the first week in January next
5 succeeding the first annual November school election of the
6 enlarged district.

7

8 20. N.J.S.18A:13-34 is amended to read as follows:

9 18A:13-34. If the boards of education of two or more local
10 districts, or the board of education of a consolidated district, or of a
11 district comprising two or more municipalities, and the
12 commissioner or his representative, after consultation, study and
13 investigation, shall determine, that it is advisable for such districts
14 to join and create, or for such district to become

15 (a) an all purpose regional school district for all the school
16 purposes of such districts or district, or

17 (b) a limited purpose regional school district to provide and
18 operate, in the territory comprised within such local districts or
19 district, one or more of the following: elementary schools, junior
20 high schools, high schools, vocational schools, special schools,
21 health facilities or particular educational services or facilities, that
22 board or boards shall by resolution frame and adopt a proposal to
23 that effect stating also the manner in which the amounts to be raised
24 for annual or special appropriations for such proposed regional
25 school district, including the amounts to be raised for interest upon,
26 and the redemption of bonds payable by the regional district, shall
27 be apportioned upon the basis of:

28 a. the portion of each municipality's equalized valuation
29 allocated to the regional district, calculated as described in the
30 definition of equalized valuation in section 3 of **【P.L.1990, c.52**
31 **(C.18A:7D-3)】** P.L.2007, c.260 (C.18A:7F-45);

32 b. the proportional number of pupils enrolled from each
33 municipality on the 15th day of October of the prebudget year in the
34 same manner as would apply if each municipality comprised
35 separate constituent school districts; or

36 c. any combination of apportionment based upon equalized
37 valuations pursuant to subsection a. of this section or pupil
38 enrollments pursuant to subsection b. of this section, and each such
39 board shall submit on the same day in each municipality in its
40 district at a special election or at the general election the question
41 whether or not the proposal shall be approved, briefly describing
42 the contents of the resolution and stating the date of its adoption
43 and they may submit also, at the special election, as part of such
44 proposal, any other provisions which may be submitted, at such a
45 special election, under the provisions of this chapter **【but no】** and
46 any such special election 【shall be held on any day before April 15
47 or after December 1 of any calendar year】 pursuant to the

1 provisions of this section shall be held pursuant to the provisions of
2 P.L.1995, c.278 (C.19:60-1 et seq.). Except as otherwise provided
3 herein, the special election shall be conducted in accordance with
4 the provisions of P.L.1995, c.278 (C.19:60-1 et al.).
5 (cf: P.L.2013, c.172, s.3)

6
7 21. N.J.S.18A:13-43 is amended to read as follows:

8 18A:13-43. If the board of education of a regional district and
9 the board or boards of education of one or more local districts, and
10 the commissioner or his representative, after consultation, study and
11 investigation, shall determine that it is advisable to enlarge the
12 regional school district so as to include said local district or districts
13 therein, the board of education of the regional district and of each
14 such local district shall by resolution frame and adopt a proposal to
15 that effect and shall submit upon the same day, in such regional
16 district and in each such local school district, at a special school
17 election held pursuant to the provisions of P.L.1995, c.278
18 (C.19:60-1 et seq.) or at an election to be held on the third Tuesday
19 in April the question whether or not said proposal shall be approved
20 briefly describing the contents of said resolution and stating the
21 date of its adoption and they may submit also at such special
22 election as part of such proposal any other provision which may be
23 submitted at such a special election under the provisions of this
24 chapter.

25 (cf: P.L.2017, c.45, s.8)

26
27 22. Section 4 of P.L.2018, c.67 (C.18A:7F-68) is amended to
28 read as follows:

29 4. a. Notwithstanding the provisions of P.L.2007, c.260
30 (C.18A:7F-43 et al.) or any other law to the contrary, in the 2019-
31 2020 through 2024-2025 school years, a school district or county
32 vocational school district in which the State aid differential
33 calculated is negative shall receive State school aid in an amount
34 equal to the sum of the district's State aid in the prior school year
35 plus the district's proportionate share of the sum of any increase in
36 State aid included in the annual appropriations act for that fiscal
37 year and the total State aid reduction pursuant to subsection b. of
38 this section based on the district's State aid differential as a percent
39 of the Statewide total State aid differential among all school
40 districts and county vocational school districts for which the State
41 aid differential is negative. Any increase in State aid pursuant to
42 this subsection shall first be allocated to equalization aid, followed
43 by special education categorical aid, security categorical aid, and
44 transportation aid, except that no category shall exceed the total
45 amount as calculated in accordance with the provisions of sections
46 11, 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-53, C.18A:7F-55,
47 C.18A:7F-56, and C.18A:7F-57), respectively.

1 b. Except as provided pursuant to subsection c. of this section,
2 and notwithstanding the provisions of P.L.2007, c.260 (C.18A:7F-
3 43 et al.) or any other law to the contrary, in the 2019-2020 through
4 2024-2025 school years, a school district or county vocational
5 school district in which the State aid differential is positive shall
6 receive State school aid in an amount equal to the district's State aid
7 in the prior school year minus a percent of the State aid differential
8 according to the following schedule:

- 9 (1) 13 percent in the 2019-2020 school year;
- 10 (2) 23 percent in the 2020-2021 school year;
- 11 (3) 37 percent in the 2021-2022 school year;
- 12 (4) 55 percent in the 2022-2023 school year;
- 13 (5) 76 percent in the 2023-2024 school year; and
- 14 (6) 100 percent in the 2024-2025 school year.

15 c. (1) An SDA district that is located in a municipality in
16 which the equalized total tax rate is greater than the Statewide
17 average equalized total tax rate for the most recent available
18 calendar year and is spending below adequacy as calculated
19 pursuant to section 1 of P.L.2018, c.67 (C.18A:7F-70) shall not be
20 subject to a reduction in State aid pursuant to subsection b. of this
21 section.

22 (2) An SDA district that is located in a municipality in which
23 the equalized total tax rate is greater than the Statewide average
24 equalized total tax rate for the most recent available calendar year
25 and is spending above adequacy as calculated pursuant to section 1
26 of P.L.2018, c.67 (C.18A:7F-70) shall be subject to a reduction not
27 to exceed the amount by which the district is spending above
28 adequacy multiplied by the corresponding percentage included in
29 subsection b. of this section.

30 (3) A school district, other than an SDA district, that is located
31 in a municipality in which the equalized total tax rate is at least 10
32 percent greater than the Statewide average equalized total tax rate
33 for the most recent available calendar year and is spending at least
34 10 percent below adequacy as calculated pursuant to section 1 of
35 P.L.2018, c.67 (C.18A:7F-70) shall not be subject to a reduction in
36 State aid pursuant to subsection b. of this section.

37 (4) A school district that is a participating district under an
38 application that is approved for a grant pursuant to subsection a. of
39 section 4 of P.L. , c. (C.) (pending before the Legislature
40 as this bill) or a school district that is a participating district under
41 an application that receives preliminary approval pursuant to
42 subsection b. of section 4 of P.L. , c. (C.) (pending before
43 the Legislature as this bill) and that has a State aid differential that
44 is positive may elect to receive State school aid in an amount equal
45 to the district's State aid in the prior school year minus a percent of
46 the State aid differential according to the following schedule:

- 47 (1) 30 percent in the 2021-2022 school year;
- 48 (2) 37 percent in the 2022-2023 school year;

- 1 (3) 46 percent in the 2023-2024 school year;
- 2 (4) 55 percent in the 2024-2025 school year;
- 3 (5) 65.5 percent in the 2025-2026 school year;
- 4 (6) 76 percent in the 2026-2027 school year;
- 5 (7) 88 percent in the 2027-2028 school year; and
- 6 (8) 100 percent in the 2028-2029 school year.

7 A school district with a State aid differential that is positive,
8 which is a participating district under an application that is
9 approved for a grant pursuant to subsection a. of section 4 of
10 P.L. , c. (C.) (pending before the Legislature as this bill) or
11 that receives preliminary approval under subsection b. of section 4
12 of P.L. , c. (C.) (pending before the Legislature as this bill)
13 but has not created or joined a limited purpose or all purpose
14 regional school district within two years following the grant
15 application approval or preliminary approval shall not be eligible to
16 receive State aid according to the schedule enumerated in this
17 paragraph.

18 As used in this paragraph, "participating district" means a school
19 district whose board of education by resolution certifies a
20 commitment to participate in a feasibility study submitted as part of
21 an application under the grant program established pursuant to
22 section 2 of P.L. , c. (C.) (pending before the Legislature
23 as this bill).

24 (5) Notwithstanding the provisions of section 32 of P.L.1996,
25 c.138 (C.18A:7F-32) or any other law, rule, or regulation to the
26 contrary, a school district that is a regional school district created
27 following the approval of a grant application pursuant to section 4
28 of P.L. , c. (C.) (pending before the Legislature as this bill)
29 shall, from the first full school year following the creation of the
30 regional school district through the 2028-2029 school year, receive
31 State school aid in an amount that is the greater of:

32 (a) the amount of State school aid that the newly created
33 regional school district would receive as a regional school district;
34 or

35 (b) the sum of the amount of State school aid received by each
36 school district constituting the newly created regional school
37 district prior to the creation of such regional school district.

38 d. Any decrease in State aid pursuant to subsection b. or c. of
39 this section shall first be deducted from a school district's or county
40 vocational school district's allotment of adjustment aid. Any
41 additional reduction shall be deducted from the school district's or
42 county vocational school district's allotment of non-SFRA aids,
43 followed by equalization aid, special education categorical aid,
44 security aid, and transportation aid.

45 e. Any remaining adjustment aid or non-SFRA aids shall be
46 reallocated to other State aid categories in a manner to be
47 determined by the commissioner.

48 (cf: P.L.2018, c.67, s.4)

1 23. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill creates a grant program within the Division of Local
7 Government Services in the Department of Community Affairs, the
8 purpose of which is to provide for the reimbursement of eligible
9 costs associated with conducting feasibility studies that support the
10 creation of meaningful and implementable plans to form or expand
11 regional school districts.

12 In order to be eligible for a grant, applicant boards of education
13 or certain municipal governing bodies are required to meet certain
14 criteria, namely that the proposed regionalization: does not increase
15 or exacerbate the segregation of students enrolled in the school
16 districts seeking to consolidate or, as applicable, in the school
17 districts from which a school district is seeking to withdraw by
18 racial, socio-economic, disability, or English Language Learner
19 status; to the maximum extent practicable, will lead to the
20 establishment of a limited purpose or all purpose regional school
21 district; consolidates school districts that are in close geographic
22 proximity of each other. School districts need not be immediately
23 contiguous as long as the consolidation and any geographic
24 separation is not so large as to contradict the potential for improved
25 efficiency and cost savings; possesses the potential for improved
26 efficiency and cost savings; possesses the potential to advance an
27 enhanced learning environment for participating districts;
28 coordinates curriculum across schools and grades throughout the
29 proposed limited purpose or all purpose regional school district; and
30 reflects a documented commitment from the participating districts
31 to make good faith efforts to implement the recommendations of the
32 feasibility study that promote efficiency and quality of education.

33 Boards of education or governing bodies whose applications
34 under the grant program are approved would be reimbursed up to an
35 amount or percentage to be annually determined by the division,
36 with 50 percent of the grant award to be distributed upon the
37 division's final approval of the grant application and the remaining
38 50 percent distributed upon the division's acceptance of the
39 completed feasibility study. The bill also provides for preliminary
40 application approval if the division determines that an application
41 presents sufficient evidence of compliance with the criteria laid out
42 in the bill and the application proposes to form either a countywide
43 school district or an all purpose regional school district through
44 expansion of an existing limited purpose school district.

45 The bill amends a section of P.L.2018, c.67, commonly referred
46 to as "S-2," to provide financial relief to districts provided approval
47 or preliminary approval under the grant program which have a
48 positive State aid differential and are currently subject to State aid

1 reductions. Under the bill, a school district that is a regional school
2 district created following the approval of a grant application will,
3 from the first full school year following the creation of the regional
4 school district through the 2028-2029 school year, receive State
5 school aid in an amount that is the greater of: the amount of State
6 school aid that the newly created regional school district would
7 receive as a regional school district; or the sum of the amount of
8 State school aid received by each school district constituting the
9 newly created regional school district prior to the creation of the
10 regional school district.

11 In addition to certain other requirements, the bill generally
12 permits a new regional school district that is formed following an
13 approved application under the bill's grant program to apply the
14 terms and conditions of employment of the largest constituent
15 school district in full after three years following the formation of
16 the regional district or until a successor agreement is negotiated,
17 whichever occurs first. Under current law, the terms and conditions
18 of employment in a new regional school district are required to be
19 that of the constituent district that employs the largest number of
20 teaching staff members prior to regionalization.

21 The bill also requires the Department of Education to reimburse
22 participating districts for any costs incurred to hold an election to
23 establish or enlarge a limited purpose or all purpose regional district
24 that stems from a feasibility study conducted in connection with the
25 bill's grant program.

26 Under the bill, whenever the salary guide and terms and
27 conditions of employment of one or more school districts seeking to
28 join a newly formed or existing limited purpose or all purpose
29 regional district will expire upon the formation of the new regional
30 district, that school district may either (1) elect to adopt the expiring
31 salary guide and terms and conditions of employment for a period
32 not to exceed one year or until a successor agreement is negotiated
33 with the majority representative of the new regional district,
34 whichever occurs first; or (2) elect to adopt the salary guide and
35 terms and conditions of employment of the largest comparable
36 district joining the new regional district.

37 Under the bill, whenever a limited purpose or all purpose
38 regional district is formed or enlarged, the tenure and seniority
39 rights of all employees from the affected, constituent, replaced,
40 displaced, or dissolved districts, except for employees who are
41 superintendents without prior underlying tenure and seniority rights
42 in the affected, constituent, replaced, displaced, or dissolved
43 districts, which form or are part of, or are affected, replaced or
44 displaced by the newly formed or enlarged limited purpose or all
45 purpose regional district, will be recognized and preserved by the
46 newly formed or expanded limited purpose or all purpose regional
47 district and all periods of employment in any of the school districts
48 shall count toward acquisition of tenure and seniority in the newly

1 formed or enlarged limited purpose or all purpose regional district.
2 All statutory and contractual rights to accumulated sick leave, leave
3 of absence, and pension of an employee that have been acquired
4 through employment in any of the districts shall be recognized by
5 the newly formed or enlarged limited purpose or all purpose
6 regional district under the bill. Under the bill, whenever a limited
7 purpose or all-purpose regional district is formed or enlarged, any
8 employee not covered by statutory seniority rights will be placed on
9 a seniority list in accordance with the employee's years of
10 employment in any of the constituent districts for the purposes of
11 employment.

12 This bill provides that a board of education of a local school
13 district or of a local school district constituting part of a limited
14 purpose regional district, the governing body of a non-operating
15 school district, or the governing body of a municipality constituting
16 a constituent district of a limited purpose regional district, part of an
17 all purpose regional district, or part of a consolidated school
18 district, may by resolution, withdraw from a limited purpose or all
19 purpose regional district or consolidated school district in order to
20 form or enlarge a limited purpose or all purpose regional district. In
21 order to be eligible to withdraw under the provisions of the bill, the
22 board of education or governing body of the municipality must meet
23 a number of conditions that include, but are not limited to, approval
24 by the Commissioner of Education, which approval is required to be
25 obtained prior to any election held to determine whether to enlarge
26 the limited purpose or all purpose regional district that the
27 withdrawing board of education or governing body will join, and
28 that the withdrawal does not increase or exacerbate the segregation
29 of students enrolled in the school districts seeking to consolidate or
30 in the regional school district or consolidate school district from
31 which a school district is seeking to withdraw by racial, socio-
32 economic, disability, or English Language Learner status.

33 Under the bill, the withdrawing school district is required to pay
34 transitional support to the limited purpose or all purpose regional
35 district or consolidated district in which it was formerly a member,
36 less the amount paid in tuition dollars under the provisions of the
37 bill, in an amount equal to the difference between the amount to be
38 paid to the limited purpose or all purpose regional district of which
39 the district or municipality will be a member and the amount paid to
40 the former limited purpose or all purpose regional district or
41 consolidated district during the final year in which the district or
42 municipality had been a member according to the following
43 schedule:

- 44 (1) 100 percent during the first school year following
45 withdrawal;
- 46 (2) 80 percent during the second school year following
47 withdrawal;

1 (3) 60 percent during the third school year following
2 withdrawal;

3 (4) 40 percent during the fourth school year following
4 withdrawal; and

5 (5) 20 percent during the fifth school year following withdrawal.
6 No further transitional payments will be made following the end of
7 the fifth school year following withdrawal. A student that resides in
8 the withdrawing district at the time of the bills enactment can
9 remain in the school in which the student is enrolled at the time of
10 withdrawal on a tuition basis.

11 The bill provides that the Commissioner of Education can permit
12 school districts seeking to form or enlarge a regional district to
13 agree to phase-in payment of the amounts each district must pay
14 under the apportionment method adopted by the voters, with such
15 phase-in payment period not to exceed 10 years, or to agree to
16 establish a transitional methodology, not to exceed ten years, of the
17 apportionment method adopted by the voters provided that the
18 methodology is agreed to by all participating districts.

19 The bill provides that when a proposal to form or enlarge a
20 limited purpose or all purpose regional district, or a proposal to
21 convert a limited purpose to an all purpose regional district, is
22 adopted by the voters of the district, a constituent district or board
23 of education, as applicable, must proceed with the regionalization
24 plan in accordance with the provisions of the proposal. Claims that
25 a constituent district or board of education is proceeding with the
26 regionalization plan in a manner inconsistent with the provisions of
27 the plan will be made to the Commissioner of Education. If the
28 commissioner determines that the constituent district or board of
29 education is acting in a manner inconsistent with the provisions of
30 the proposal, the constituent district or board of education must
31 submit plans to the commissioner detailing the steps to be taken to
32 address such inconsistencies.

33 The bill provides that a limited purpose regional district can
34 convert to an all purpose regional district when a majority of the
35 voters in a majority of the constituent districts that constitute the
36 limited purpose regional district vote to form an all purpose
37 regional district. If an all purpose regional district is formed as a
38 result of a vote by the majority of the voters in a majority of the
39 constituent districts, any constituent district that votes not to join
40 the all purpose regional district can continue to send students that
41 were enrolled in the limited purpose regional district to the schools
42 that were established as part of the limited purpose district.

43 Under the bill, membership of the board of education of the new
44 all purpose regional district formed when only a majority of the
45 voters of the majority of the constituent districts of the limited
46 purpose regional district vote to form an all purpose regional will be
47 calculated and apportioned upon the basis of a proportional number
48 of pupils enrolled from each constituent district that constitutes the

1 limited purpose regional district, with the regional board of
2 education membership to include any district that does not vote to
3 join the all purpose regional district and continues to send students
4 to the schools of the limited purpose regional district, with each
5 district required to have at least one member. A constituent district
6 that does not vote to join the all purpose regional but retains
7 membership on the board of education of the newly formed all
8 purpose regional would be permitted to vote on matters provided for
9 under the provisions of the bill.

10 The bill provides that when all of the constituent districts of a
11 limited purpose regional district vote to add additional purposes that
12 will convert the limited purpose regional district to an all purpose
13 regional district, the constituent districts can calculate and apportion
14 membership of the board of education of the newly formed regional
15 district based upon their inhabitants, with each constituent district
16 required to have at least one member. For the initial term following
17 the election for the creation of the district, two-thirds of the
18 membership of the board of education of the newly formed all
19 purpose regional district would be selected from among the
20 members of the boards of education or governing bodies of the
21 constituent districts constituting the limited purpose regional
22 district and one-third of the membership of the board of education
23 of the newly formed all purpose regional district would be selected
24 from among them members of the board of education of the limited
25 purpose regional district proposing to form the all purpose regional
26 district. The first elected members of the board of education of this
27 newly created regional district would be elected at the annual
28 election to be held in the calendar year first succeeding the year in
29 which the election for the creation of the district was held.

30 The bill also provides school districts seeking to form new
31 regional districts or enlarge currently existing regional districts with
32 additional methods by which to calculate and apportion the
33 membership on the board of education of the newly formed or
34 enlarged regional district.

35 Lastly, the bill amends current law to permit a special election to
36 consider the creation or enlargement of a regional district to be held
37 pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5537

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 2021

The Assembly Education Committee reports favorably Assembly Bill No. 5537 with committee amendments.

As amended, this bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts.

In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet certain criteria, namely that the proposed regionalization: does not increase or exacerbate the segregation of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw by racial, socio-economic, disability, or English Language Learner status; to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional school district; consolidates school districts that are in close geographic proximity of each other. School districts need not be immediately contiguous as long as the consolidation and any geographic separation is not so large as to contradict the potential for improved efficiency and cost savings; possesses the potential for improved efficiency and cost savings; possesses the potential to advance an enhanced learning environment for participating districts; coordinates curriculum across schools and grades throughout the proposed limited purpose or all purpose regional school district; and reflects a documented commitment from the participating districts to make good faith efforts to implement the recommendations of the feasibility study that promote efficiency and quality of education.

Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent distributed upon the division's acceptance of the completed feasibility study. The bill also provides for preliminary application approval if

the division determines that an application presents sufficient evidence of compliance with the criteria laid out in the bill and the application proposes to form either a countywide school district or an all purpose regional school district through expansion of an existing limited purpose school district.

The bill amends a section of P.L.2018, c.67, commonly referred to as "S-2," to provide financial relief to districts provided approval or preliminary approval under the grant program which have a positive State aid differential and are currently subject to State aid reductions. Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

In addition to certain other requirements, the bill generally permits a new regional school district that is formed following an approved application under the bill's grant program to apply the terms and conditions of employment of the largest constituent school district in full after three years following the formation of the regional district or until a successor agreement is negotiated, whichever occurs first. Under current law, the terms and conditions of employment in a new regional school district are required to be that of the constituent district that employs the largest number of teaching staff members prior to regionalization.

The bill provides that whenever a regional district is formed following the approval of a grant application submitted under the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees will be recognized by the newly formed regional district as the majority representative of that classification of employees.

Under the bill, a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district is prohibited from, beginning on the date upon which a school district submits an application for a grant program under the provisions of the bill, entering into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly

formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization, or consolidation at which time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) will control.

Under the bill, whenever the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited purpose or all purpose regional district will expire upon the formation of the new regional district, that school district may either (1) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (2) elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except for employees who are superintendents without prior underlying tenure and seniority rights in the affected, constituent, replaced, displaced, or dissolved districts, which form or are part of, or are affected, replaced or displaced by the newly formed or enlarged limited purpose or all purpose regional district, will be recognized and preserved by the newly formed or expanded limited purpose or all purpose regional district and all periods of employment in any of the school districts will count toward acquisition of tenure and seniority in the newly formed or enlarged limited purpose or all purpose regional district. All statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in any of the districts will be recognized by the newly formed or enlarged limited purpose or all purpose regional district under the bill. Under the bill, whenever a limited purpose or all-purpose regional district is formed or enlarged, any employee not covered by statutory seniority rights will be placed on a seniority list in accordance with the employee's years of employment in any of the constituent districts for the purposes of employment.

This bill provides that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district, may by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district. Under the bill, the withdrawing school district is

required to pay transitional support to the limited purpose or all purpose regional district or consolidated school district in which it was formerly a member, less the amount paid in tuition dollars under the provisions of the bill, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district or consolidated school district during the final year in which the district or municipality had been a member according to the following schedule:

- (1) 100 percent during the first school year following withdrawal;
 - (2) 80 percent during the second school year following withdrawal;
 - (3) 60 percent during the third school year following withdrawal;
 - (4) 40 percent during the fourth school year following withdrawal;
- and
- (5) 20 percent during the fifth school year following withdrawal.

No further transitional payments will be made following the end of the fifth school year following withdrawal. The bill provides that a student residing in the district on the date the district withdraws under these provisions may remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis, with the tuition to be paid by the withdrawing district.

The bill provides that the Commissioner of Education can permit school districts seeking to form or enlarge a regional district to agree to phase-in payment of the amounts each district must pay under the apportionment method adopted by the voters, with such phase-in payment period not to exceed ten years, or to agree to establish a transitional methodology, not to exceed ten years, of the apportionment method adopted by the voters provided that the methodology is agreed to by all participating districts.

The bill provides that when a proposal to form or enlarge a limited purpose or all purpose regional district, or a proposal to convert a limited purpose to an all purpose regional district, is adopted by the voters of the district, a constituent district or board of education, as applicable, must proceed with the regionalization plan in accordance with the provisions of the proposal. Claims that a constituent district or board of education is proceeding with the regionalization plan in a manner inconsistent with the provisions of the plan will be made to the Commissioner of Education. If the commissioner determines that the constituent district or board of education is acting in a manner inconsistent with the provisions of the proposal, the constituent district or board of education must submit plans to the commissioner detailing the steps to be taken to address such inconsistencies.

Under the bill, a limited purpose regional district can convert to an all purpose regional district by adding additional purposes to the purposes for which the limited purpose regional district was created by

a vote of a majority of the voters in a majority of the constituent districts; however, this provision does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law. If an all purpose regional district is formed as a result of a vote by the majority of the voters in a majority of the constituent districts, any constituent district that votes not to join the all purpose regional district can continue to send students that were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose district.

Under the bill, membership of the board of education of the new all purpose regional district formed when only a majority of the voters of the majority of the constituent districts of the limited purpose regional district vote to form an all purpose regional will be calculated and apportioned upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, with the regional board of education membership to include any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district, with each district required to have at least one member. A constituent district that does not vote to join the all purpose regional but retains membership on the board of education of the newly formed all purpose regional would be permitted to vote on matters provided for under the provisions of the bill.

The bill provides that when all of the constituent districts of a limited purpose regional district vote to add additional purposes that will convert the limited purpose regional district to an all purpose regional district, the constituent districts can calculate and apportion membership of the board of education of the newly formed regional district based upon their inhabitants, with each constituent district required to have at least one member. For the initial term following the election for the creation of the district, two-thirds of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited purpose regional district and one-third of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the board of education of the limited purpose regional district proposing to form the all purpose regional district. The first elected members of the board of education of this newly created regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held.

The bill also provides school districts seeking to form new regional districts or enlarge currently existing regional districts with additional methods by which to calculate and apportion the membership on the board of education of the newly formed or enlarged regional district.

Lastly, the bill amends current law to permit a special election to consider the creation or enlargement of a regional district to be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

As amended and reported by the committee, this bill is identical to Senate Bill No. 3488 (1R), which was also reported by the committee on this same date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify the issues that must be addressed in a feasibility study submitted in connection with the grant program established pursuant to the provisions of the bill;

(2) clarify that whenever a regional district is formed following the approval of a grant application submitted pursuant to the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees will be recognized by the newly formed regional district as the majority representative of that classification of employees.

(3) prohibit a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district from, beginning on the date upon which a school district submits a grant application pursuant to the provisions of the bill, entering into a subcontracting agreement that affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization or consolidation of the constituent districts;

(4) clarify that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district that withdraws from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district will pay transitional support to

the limited purpose or all purpose district or consolidated school district from which it withdraws;

(5) clarify that the provisions of the bill that permit a limited purpose regional district to convert to an all purpose regional district by adding additional purposes to the purposes for which the limited purpose regional district was created by a vote of a majority of the voters in a majority of the constituent districts does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law; and

(6) make technical amendments to the bill to fix typographical errors.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5537

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5537 (1R), with committee amendments.

As amended, this bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. Under the bill, the division may retain one percent of the amounts appropriated or otherwise made available for the program for the purpose of offsetting the administrative expenses of the program.

In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet certain criteria, namely that the proposed regionalization: does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw; to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional school district; and consolidates school districts that are in close geographic proximity of each other. School districts need not be immediately contiguous as long as the consolidation and any geographic separation is not so large as to contradict the potential for improved efficiency and cost savings; possesses the potential for improved efficiency and cost savings; possesses the potential to advance an enhanced learning environment for participating districts; coordinates curriculum across schools and grades throughout the proposed limited purpose or all purpose regional school district; and reflects a documented commitment from the participating districts to make good faith efforts to implement the recommendations of the feasibility study that promote efficiency and quality of education.

Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent distributed upon the division's acceptance of the completed feasibility study. The bill also provides for preliminary application approval if the division determines that an application presents sufficient evidence of compliance with the criteria laid out in the bill and the application proposes to form either a countywide school district or an all purpose regional school district through expansion of an existing limited purpose school district.

The bill amends a section of P.L.2018, c.67, commonly referred to as "S-2," to provide financial relief to districts provided approval or preliminary approval under the grant program which have a positive State aid differential and are currently subject to State aid reductions. Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district.

In addition to certain other requirements, the bill generally permits a new regional school district that is formed following an approved application under the bill's grant program to apply the terms and conditions of employment of the largest constituent school district in full after three years following the formation of the regional district or until a successor agreement is negotiated, whichever occurs first. Under current law, the terms and conditions of employment in a new regional school district are required to be that of the constituent district that employs the largest number of teaching staff members prior to regionalization.

The bill provides that whenever a regional district is formed following the approval of a grant application submitted under the provisions of the bill, the newly formed regional district will recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees will be recognized by the newly formed regional district as the majority representative of that classification of employees.

Under the bill, a board of education or governing body of any affected, constituent, replaced, displaced, or dissolved district is prohibited from, beginning on the date upon which a school district submits an application for a grant program under the provisions of the bill, entering into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization, or consolidation at which time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) will control.

Under the bill, whenever the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited purpose or all purpose regional district will expire upon the formation of the new regional district, that school district may either (1) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (2) elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

Under the bill, whenever a limited purpose or all purpose regional district is formed or enlarged, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except for employees who are superintendents without prior underlying tenure and seniority rights in the affected, constituent, replaced, displaced, or dissolved districts, which form or are part of, or are affected, replaced or displaced by the newly formed or enlarged limited purpose or all purpose regional district, will be recognized and preserved by the newly formed or expanded limited purpose or all purpose regional district and all periods of employment in any of the school districts will count toward acquisition of tenure and seniority in the newly formed or enlarged limited purpose or all purpose regional district. All statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in any of the districts will be recognized by the newly formed or enlarged limited purpose or all purpose regional district under the bill. Under the bill, whenever a limited purpose or all-purpose regional district is formed or enlarged, any employee not covered by statutory seniority rights will be placed on a seniority list in accordance with the employee's years of employment in any of the constituent districts for the purposes of employment.

This bill provides that a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of

a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district, may by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district. Under the bill, the withdrawing school district is required to pay transitional support to the limited purpose or all purpose regional district or consolidated school district in which it was formerly a member, less the amount paid in tuition dollars under the provisions of the bill, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district or consolidated school district during the final year in which the district or municipality had been a member according to the following schedule:

- (1) 100 percent during the first school year following withdrawal;
 - (2) 80 percent during the second school year following withdrawal;
 - (3) 60 percent during the third school year following withdrawal;
 - (4) 40 percent during the fourth school year following withdrawal;
- and
- (5) 20 percent during the fifth school year following withdrawal.

No further transitional payments will be made following the end of the fifth school year following withdrawal. The bill provides that a student residing in the district on the date the district withdraws under these provisions may remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis, with the tuition to be paid by the withdrawing district.

The bill provides that the Commissioner of Education can permit school districts seeking to form or enlarge a regional district to agree to phase-in payment of the amounts each district must pay under the apportionment method adopted by the voters, with such phase-in payment period not to exceed ten years, or to agree to establish a transitional methodology, not to exceed ten years, of the apportionment method adopted by the voters provided that the methodology is agreed to by all participating districts.

The bill provides that when a proposal to form or enlarge a limited purpose or all purpose regional district, or a proposal to convert a limited purpose to an all purpose regional district, is adopted by the voters of the district, a constituent district or board of education, as applicable, must proceed with the regionalization plan in accordance with the provisions of the proposal. Claims that a constituent district or board of education is proceeding with the regionalization plan in a manner inconsistent with the provisions of the plan will be made to the Commissioner of Education. If the commissioner determines that the

constituent district or board of education is acting in a manner inconsistent with the provisions of the proposal, the constituent district or board of education must submit plans to the commissioner detailing the steps to be taken to address such inconsistencies.

Under the bill, a limited purpose regional district can convert to an all purpose regional district by adding additional purposes to the purposes for which the limited purpose regional district was created by a vote of a majority of the voters in a majority of the constituent districts; however, this provision does not prohibit a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created as is permitted under current law. If an all purpose regional district is formed as a result of a vote by the majority of the voters in a majority of the constituent districts, any constituent district that votes not to join the all purpose regional district can continue to send students that were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose district.

Under the bill, membership of the board of education of the new all purpose regional district formed when only a majority of the voters of the majority of the constituent districts of the limited purpose regional district vote to form an all purpose regional will be calculated and apportioned upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, with the regional board of education membership to include any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district, with each district required to have at least one member. A constituent district that does not vote to join the all purpose regional but retains membership on the board of education of the newly formed all purpose regional would be permitted to vote on matters provided for under the provisions of the bill.

The bill provides that when all of the constituent districts of a limited purpose regional district vote to add additional purposes that will convert the limited purpose regional district to an all purpose regional district, the constituent districts can calculate and apportion membership of the board of education of the newly formed regional district based upon their inhabitants, with each constituent district required to have at least one member. For the initial term following the election for the creation of the district, two-thirds of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited purpose regional district and one-third of the membership of the board of education of the newly formed all purpose regional district would be selected from among the members of the board of education of the limited purpose regional district proposing to form the all purpose regional district. The first elected members of the

board of education of this newly created regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held.

The bill also provides school districts seeking to form new regional districts or enlarge currently existing regional districts with additional methods by which to calculate and apportion the membership on the board of education of the newly formed or enlarged regional district.

Lastly, the bill amends current law to permit a special election to consider the creation or enlargement of a regional district to be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1).

As amended and reported by the committee, this bill is identical to Senate Bill No. 3488 (1R), which was also amended and reported by the committee on this same date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- stipulate that the Division of Local Government Services in the Department of Community Affairs may retain one percent of funds appropriated or otherwise made available for the grant program established under the bill for administrative expenses;
- require boards of education or municipal governing bodies seeking grant program funds under the bill to demonstrate that a proposed regionalization does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw;
- require the Commissioner of Education to certify in writing that an applicant's proposal for a newly formed or enlarged regional district will not, and will not be foreseeably likely to, increase or exacerbate segregation among school districts in the surrounding region as determined by the number and percentage of students affected by such consolidations or withdrawals;
- provide that an analysis of the effects of school district consolidations or withdrawals, or both, on the opportunities for students to attend schools that are integrated be included as part of the report concerning the implementation of the grant program which is required to be submitted by the Division of Local Government Services in consultation with the Department of Education; and
- require that the withdrawal of certain boards of education or governing bodies from a limited purpose or all purpose regional district or a consolidated school district:

- be approved by the Director of the Division of Local Government Services, who would work in consultation with the Commissioner of Education; and
- would not, and would not be foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of affected students enrolled in the school districts seeking to consolidate or in the regional district or consolidated school district from which a school district is seeking to withdraw.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The magnitude and timing of these State expenditure increases are indeterminate because the extent of the financial incentives that will be provided is not known, nor is how many feasibility studies or elections will be undertaken in a given year.

Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts; however, as mentioned, the State will provide reimbursement for the increased expenditures. Certain provisions of the bill would allow participating school districts to spread out cost increases related to regionalization over longer periods of time than what is provided under current law, thereby reducing the budgetary impact on school districts when implementing their regionalization plans.

In addition to the increased revenues that school districts will receive from State reimbursements related to their feasibility studies and election costs, the bill also provides financial relief to districts given approval or preliminary approval under the grant program and have a positive State aid differential and are therefore subject to State aid reductions. Districts with positive State aid differentials would still be subject to State aid reductions under the bill, but they would experience the reductions under a different, less accelerated schedule than what is provided under the provisions of P.L.2018, c.67 (commonly referred to as S-2).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5537

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: JUNE 21, 2021

SUMMARY

- Synopsis:** Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.
- Type of Impact:** Annual State expenditure increase; annual local cost and revenue increases.
- Agencies Affected:** Department of Community Affairs; Department of Education; Local Governments

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
Local Cost Increase		Indeterminate	
Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The magnitude and timing of these State expenditure increases are indeterminate because the extent of the financial incentives that will be provided is not known, nor is how many feasibility studies or elections will be undertaken in a given year.
- Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts; however, as mentioned, the State will provide reimbursement for the increased expenditures. Certain provisions of the bill would allow participating school districts to spread out cost increases

related to regionalization over longer periods of time than what is provided under current law, thereby reducing the budgetary impact on school districts when implementing their regionalization plans.

- In addition to the increased revenues that school districts will receive from State reimbursements related to their feasibility studies and election costs, the bill also provides financial relief to districts given approval or preliminary approval under the grant program and have a positive State aid differential and are therefore subject to State aid reductions. Districts with positive State aid differentials would still be subject to State aid reductions under the bill, but they would experience the reductions under a different, less accelerated schedule than what is provided under the provisions of P.L.2018, c.67 (commonly referred to as S-2).

BILL DESCRIPTION

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet specific criteria laid out in the bill. Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division. The bill also provides for preliminary application approval in certain instances.

The bill provides that, whenever a regional district is formed following the approval of a grant application, the salary guide and terms and conditions of employment, whether established through a collective negotiations agreement or past practice, of the constituent school district with the largest number of teaching staff members will apply in full after three years following the formation of the regional district or until a successor agreement is negotiated with the majority representative of the new school district, whichever occurs first.

The Department of Education would reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district provided that the decision to establish or enlarge a limited purpose or all purpose regional district stems from the completion of a feasibility study conducted in connection with the bill's grant program.

Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. The bill also extends the timeline by which a school district receiving approval or preliminary approval under the grant program would experience State aid reductions pursuant to S-2 by a period of four additional years beyond what is provided for under the current State aid reduction timeline.

The bill also includes a variety of other measures concerning the creation and enlargement of regional school districts, the addition of other purposes to certain regional districts, and the withdrawal of certain school districts and governing bodies from regional districts. The bill contains various provisions on the following subjects related to school district regionalization in

certain scenarios, including: employment, tenure, and seniority rights; board of education membership; the provision of transitional support in the event that a school district or municipality withdraws from one regional school district to join another regional school district; and the phasing-in of the tax apportionment method adopted by the voters.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

State Expenditure Increases

The OLS concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The OLS does not know the number of school districts that will participate in the grant program and ultimately gain approval for their regionalization plans, which precludes the OLS from providing an estimate for how much annual State expenditures are likely to increase. The OLS notes that the bill does not contain an appropriation for the grant program.

The OLS also notes that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs' Local Efficiency Achievement Program (LEAP). Currently, the LEAP provides Challenge Grants, Implementation Grants, and County Coordinator Fellowships Grants to support various initiatives aimed at increasing shared services and consolidation. In the 12-month FY 2021 period, the LEAP was appropriated a total of \$10 million through the Department of Community Affairs' "Shared Services and School District Consolidation Study and Implementation Grants" line item. Relevant to this bill, of the total \$10 million appropriation, the LEAP's Implementation Grants provide \$2 million for costs associated with school district consolidation studies. The Implementation Grants provide for the reimbursement of costs associated with school district consolidation and countywide school district studies that support the creation of regionalization plans. Publicly available evidence indicates that costs incurred by school districts to conduct school district regionalization studies range from as low as \$20,000 to approximately \$150,000 for regionalization efforts involving a larger number of districts.

It is possible that the implementation and administration of the grant program established under the bill can be coordinated or enveloped within the LEAP. The OLS notes that, if this is the case, the implementation of the grant program may lead to increased expenditures to the extent that such administrative costs are necessary to carry out the grant program in accordance with the provisions of the bill.

The State would also experience cost increases to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district. These election expenses may vary depending on several factors in the participating districts, including the size of the municipalities constituting the districts.

Local Cost and Revenue Increases

Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts.

The OLS also notes that various provisions of the bill provide alternatives to current law concerning the creation of new regional school districts. These alternatives would, over certain periods of time, spread out increases in costs to school districts or governing bodies involved in a regionalization effort. For example, current law allows for three methods of cost apportionment when a regional district is created or enlarged. These allowable methods of cost apportionment may be based on equalized property valuation, enrollment, or a combination of property valuation and enrollment. The bill provides that the Commissioner of Education may provide for a 10-year phase-in of the cost apportionment method or another transitional methodology not to exceed 10 years, thereby delaying cost increases for some school districts. In addition, under current law, the salary guide and terms and conditions of employment in a new school district is required to be that of the constituent district with the largest number of teaching staff members prior to the creation of the new regional district. It has been noted that the largest constituent district tends to be the higher paying school district. Under this bill, a regional district that is formed following the approval of a grant application would generally be permitted to apply the salary guide and terms of employment of the largest constituent district in full after a period of three years following the creation of the new district or until a successor agreement is negotiated, whichever occurs first. This change will delay increases in costs for some school districts and allow them time to plan for changes related to their personnel expenditures.

The OLS notes that participating school districts under grant applications that are approved or preliminarily approved and have State aid differentials that are positive would receive more State aid than they otherwise would have received pursuant to the provisions of S-2. Districts with positive State aid differentials would still be subject to State aid reductions, but they would experience the reductions under a different, less accelerated schedule than what is provided under S-2. Given that the OLS does not know which districts may receive approval or preliminary approval under the grant program, it cannot predict the impact that the different State aid reduction schedule established under this bill would have on participating districts. In addition, under the bill, regional school districts created following the approval of a grant application would receive the greater of the amount of State school aid that the newly created regional school district would receive as a regional school district or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. This could result in more State school aid revenues for some school districts than they otherwise would have received.

Section: Education

*Analyst: Christopher Myles
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 5537

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: JUNE 24, 2021

SUMMARY

- Synopsis:** Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization.
- Type of Impact:** Annual State expenditure increase; annual local cost and revenue increases.
- Agencies Affected:** Department of Community Affairs; Department of Education; Local Governments

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
Local Cost Increase		Indeterminate	
Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The magnitude and timing of these State expenditure increases are indeterminate because the extent of the financial incentives that will be provided is not known, nor is how many feasibility studies or elections will be undertaken in a given year.
- Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts; however, as mentioned, the State will provide reimbursement for the increased expenditures. Certain provisions of the bill would allow participating school districts to spread out cost increases

related to regionalization over longer periods of time than what is provided under current law, thereby reducing the budgetary impact on school districts when implementing their regionalization plans.

- In addition to the increased revenues that school districts will receive from State reimbursements related to their feasibility studies and election costs, the bill also provides financial relief to districts given approval or preliminary approval under the grant program and have a positive State aid differential and are therefore subject to State aid reductions. Districts with positive State aid differentials would still be subject to State aid reductions under the bill, but they would experience the reductions under a different, less accelerated schedule than what is provided under the provisions of P.L.2018, c.67 (commonly referred to as S-2).

BILL DESCRIPTION

This bill creates a grant program within the Division of Local Government Services in the Department of Community Affairs, the purpose of which is to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. In order to be eligible for a grant, applicant boards of education or certain municipal governing bodies are required to meet specific criteria laid out in the bill. Boards of education or governing bodies whose applications under the grant program are approved would be reimbursed up to an amount or percentage to be annually determined by the division. The bill also provides for preliminary application approval in certain instances.

The bill provides that, whenever a regional district is formed following the approval of a grant application, the salary guide and terms and conditions of employment, whether established through a collective negotiations agreement or past practice, of the constituent school district with the largest number of teaching staff members will apply in full after three years following the formation of the regional district or until a successor agreement is negotiated with the majority representative of the new school district, whichever occurs first.

The Department of Education would reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district provided that the decision to establish or enlarge a limited purpose or all purpose regional district stems from the completion of a feasibility study conducted in connection with the bill's grant program.

Under the bill, a school district that is a regional school district created following the approval of a grant application will, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of: the amount of State school aid that the newly created regional school district would receive as a regional school district; or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. The bill also extends the timeline by which a school district receiving approval or preliminary approval under the grant program would experience State aid reductions pursuant to S-2 by a period of four additional years beyond what is provided for under the current State aid reduction timeline.

The bill also includes a variety of other measures concerning the creation and enlargement of regional school districts, the addition of other purposes to certain regional districts, and the withdrawal of certain school districts and governing bodies from regional districts. The bill contains various provisions on the following subjects related to school district regionalization in certain scenarios, including: employment, tenure, and seniority rights; board of education

membership; the provision of transitional support in the event that a school district or municipality withdraws from one regional school district to join another regional school district; and the phasing-in of the tax apportionment method adopted by the voters.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

State Expenditure Increases

The OLS concludes that the grant program established under the bill may result in indeterminate annual State expenditure increases to provide grants to school districts and governing bodies to conduct feasibility studies related to school regionalization and to provide certain financial incentives designed to encourage regionalization efforts. The State will also provide reimbursement to school districts for elections held to establish or enlarge districts. The OLS does not know the number of school districts that will participate in the grant program and ultimately gain approval for their regionalization plans, which precludes the OLS from providing an estimate for how much annual State expenditures are likely to increase. The OLS notes that the bill does not contain an appropriation for the grant program.

The OLS also notes that the grant program established under the bill is constructed in a substantially similar way to the Department of Community Affairs' Local Efficiency Achievement Program (LEAP). Currently, the LEAP provides Challenge Grants, Implementation Grants, and County Coordinator Fellowships Grants to support various initiatives aimed at increasing shared services and consolidation. In the 12-month FY 2021 period, the LEAP was appropriated a total of \$10 million through the Department of Community Affairs' "Shared Services and School District Consolidation Study and Implementation Grants" line item. Relevant to this bill, of the total \$10 million appropriation, the LEAP's Implementation Grants provide \$2 million for costs associated with school district consolidation studies. The Implementation Grants provide for the reimbursement of costs associated with school district consolidation and countywide school district studies that support the creation of regionalization plans. Publicly available evidence indicates that costs incurred by school districts to conduct school district regionalization studies range from as low as \$20,000 to approximately \$150,000 for regionalization efforts involving a larger number of districts.

It is possible that the implementation and administration of the grant program established under the bill can be coordinated or enveloped within the LEAP. The OLS notes that, if this is the case, the implementation of the grant program may lead to increased expenditures to the extent that such administrative costs are necessary to carry out the grant program in accordance with the provisions of the bill.

The State would also experience cost increases to reimburse participating districts under the grant program for elections held to establish or enlarge a limited purpose or all purpose regional district. These election expenses may vary depending on several factors in the participating districts, including the size of the municipalities constituting the districts.

Local Cost and Revenue Increases

Under the bill, participating school districts will incur increased costs to undertake feasibility studies and hold elections to establish or enlarge a limited purpose or all purpose school district. The timing and magnitude of these cost increases will vary among districts.

The OLS also notes that various provisions of the bill provide alternatives to current law concerning the creation of new regional school districts. These alternatives would, over certain periods of time, spread out increases in costs to school districts or governing bodies involved in a regionalization effort. For example, current law allows for three methods of cost apportionment when a regional district is created or enlarged. These allowable methods of cost apportionment may be based on equalized property valuation, enrollment, or a combination of property valuation and enrollment. The bill provides that the Commissioner of Education may provide for a 10-year phase-in of the cost apportionment method or another transitional methodology not to exceed 10 years, thereby delaying cost increases for some school districts. In addition, under current law, the salary guide and terms and conditions of employment in a new school district is required to be that of the constituent district with the largest number of teaching staff members prior to the creation of the new regional district. It has been noted that the largest constituent district tends to be the higher paying school district. Under this bill, a regional district that is formed following the approval of a grant application would generally be permitted to apply the salary guide and terms of employment of the largest constituent district in full after a period of three years following the creation of the new district or until a successor agreement is negotiated, whichever occurs first. This change will delay increases in costs for some school districts and allow them time to plan for changes related to their personnel expenditures.

The OLS notes that participating school districts under grant applications that are approved or preliminarily approved and have State aid differentials that are positive would receive more State aid than they otherwise would have received pursuant to the provisions of S-2. Districts with positive State aid differentials would still be subject to State aid reductions, but they would experience the reductions under a different, less accelerated schedule than what is provided under S-2. Given that the OLS does not know which districts may receive approval or preliminary approval under the grant program, it cannot predict the impact that the different State aid reduction schedule established under this bill would have on participating districts. In addition, under the bill, regional school districts created following the approval of a grant application would receive the greater of the amount of State school aid that the newly created regional school district would receive as a regional school district or the sum of the amount of State school aid received by each school district constituting the newly created regional school district prior to the creation of the regional school district. This could result in more State school aid revenues for some school districts than they otherwise would have received.

Section: Education

*Analyst: Adrian Crook
Lead Research Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE BILL NO. 3488
(Second Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 3488 (Second Reprint) with my recommendations for reconsideration.

Senate Bill No. 3488 (Second Reprint) modifies certain procedures pertaining to school district regionalization, establishes a grant program to reimburse districts for the costs associated with conducting regionalization feasibility studies, and provides financial incentives for regionalization. In relevant part, the bill also delineates the voting rights of constituent districts that belong to a limited-purpose regional school district but opposed the formation of an all-purpose regional school district.

This bill dictates that, when a limited-purpose regional district is converted into an all-purpose regional district over the objection of a constituent district, the objecting district would be required to enter into a sending-receiving relationship with the newly-formed district. A sending-receiving relationship is one in which a school district sends all or some of its students to attend the school(s) of another district. The bill goes on to specify the voting rights afforded to sending district board members.

Importantly, current law already establishes the parameters of sending-receiving relationships, including the voting rights of all board members. This bill would establish voting rights for sending district board members that differ from the rights that are already enshrined in statute. In order to avoid the inevitable confusion that will result from two different standards governing the same circumstances, I am recommending modest revisions to this

bill to ensure that the voting rights established for sending district board members remain consistent.

Therefore, I herewith return Senate Bill No. 3488 (Second Reprint) and recommend that it be amended as follows:

Page 14, Section 16, Lines 38-39: Delete "the following matters" and insert "any matter"

Page 14, Section 16, Line 40: After "education" delete ":" and insert "on which a member of the board of education of a sending district is eligible to vote on before a receiving board of education as provided in N.J.S.A. 18A:38-8.1."

Page 14, Section 16, Lines 41-47: Delete in their entirety

Page 15, Section 16, Lines 1-9: Delete in their entirety

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

11/8/2021

TRENTON – Today, Governor Murphy signed the following bills into law:

S-249/A-1259 (Singleton, Turner/Schaer, DeCroce, Vainieri Huttle) – Requires pharmacy benefits manager providing services within Medicaid program to disclose certain information to DHS

S-324/A-3533 (Diegnan, A.M. Bucco/Benson, Freiman, DeCroce) – Authorizes operators of motor vehicles to display electronic proof of registration; requires MVC to send application for registration renewal to lessee of leased vehicle

SCS for S-399 and 1645/ACS for A-869 and 1380 (Lagana, Weinberg, Stack, Turner, Cunningham/Chiaravalloti, Holley) – Requires residential landlords to install covers on steam radiators upon request of tenant

S-537/A-3110 (Codey/McKeon, Verrelli, Vainieri Huttle) – Establishes certain minimum and maximum temperatures in rooming and boarding houses, dementia care homes, and certain nursing homes and residential health care facilities

S-550/A-1616 (Codey, Pennacchio/Lampitt, Conaway, Vainieri Huttle) – Requires certain student identification cards to contain telephone number for suicide prevention hotline

SCS for S-647/A-4825 (Greenstein, Singleton/McKeon, Karabinchak, Stanley) – Revises cybersecurity, asset management, and related reporting requirements in “Water Quality Accountability Act”

S-828/A-2101 (Lagana, Greenstein/Swain, Tully, Verrelli) – Requires public utilities and local units to provide notice prior to initiating certain infrastructure projects

S-829/A-2135 (Lagana, Singleton/Tully, Swain, Murphy) – Requires property condition disclosure statement to indicate presence of lead plumbing in residential property

S-830/A-2134 (Lagana, Greenstein/Tully, Swain, Conaway) – Requires public water systems to offer drinking water tests to customers in certain circumstances

S-894/A-3874 (Pou, Greenstein/Lopez, Vainieri Huttle) – Prohibits sale of paint or coating removal products that contain methylene chloride unless purchaser meets certain safety standards for use

S-1010/A-2103 (Lagana, Turner/Swain, Tully, Johnson) – Permits counties and municipalities to bond for alternative fuel vehicles

S-1047/A-1712 (Cryan, Pou/Burzichelli, Karabinchak, Giblin) – Concerns disclosure of certain information prior to sale of real estate

S-1148/A-1221 (Ruiz, Pou/Chaparro, Speight, Wimberly) – Requires emergency contact information and access instructions for social services hotline to be provided to tenants of multiple dwellings

S-1239/A-5131 (Codey/McKeon, Danielsen, Jasey) – Authorizes imposition of fee for connection to municipal electric distribution system

S-1259/A-2628 (Singleton/Murphy) – Concerns labor contractors

S-1726/A-795 (Lagana, Pou/Verrelli, Swain, Zwicker) – Prohibits sale of cosmetic products that have been tested on animals

- S-2727/A-4775 (Pennacchio, Pou/Vainieri Huttle, Jasey, McKnight)** – Establishes Multigenerational Family Housing Continuity Commission; provides municipal guidance to periodically analyze local advancement of commission’s senior citizen housing recommendations
- S-2861/A-5390 (Singleton, Addiego/Quijano, McKnight, Speight)** – Concerns certain restrictive covenants on real property
- S-2996/A-5019 (Testa, Sweeney/McClellan, Taliaferro, Johnson)** – Allows Board of Cosmetology and Hairstyling licensees to operate mobile facilities when providing services
- S-3000/A-4688 (Weinberg, Greenstein/Benson, Verrelli, Vainieri Huttle)** – Codifies and establishes certain network adequacy standards for pediatric primary and specialty care in Medicaid program
- S-3032/A-4855 (Sweeney, Vitale/Benson, Vainieri Huttle, Chiaravalloti)** – Requires DOH to develop Statewide plan for infection control and prevention infrastructure improvements in nursing homes
- S-3091/A-4933 (Addiego, Bateman/Burzichelli, Benson, Mukherji)** – Requires builders to offer unit concrete products that utilize carbon footprint-reducing technology as option in new construction; establishes tax incentives, and State and local purchasing requirements, for unit concrete products that utilize carbon footprint-reducing technology
- S-3253/A-2619 (Singleton, Ruiz/Murphy, Speight, Mukherji)** – Establishes alternate route to expedite certification of teachers at early college high school programs
- S-3318/A-5893 (Sweeney, Pou/Vainieri Huttle, Caputo, Karabinchak)** – Provides for voluntary contributions by taxpayers on gross income tax returns for Special Olympics New Jersey
- S-3590/A-5536 (Diegnan, Turner/Burzichelli, Giblin)** – Allows formation of limited liability companies by real estate salespersons and broker-salespersons to receive commission income and requires certain disclosures on promotions
- S-3811/A-5769 (Sweeney, Scutari/Reynolds-Jackson, Quijano, Carter)** – Establishes Kean University as public urban research university
- S-3948/A-5896 (Addiego, Gopal/Houghtaling, Downey)** – Authorizes supplemental State aid to school districts receiving certain federal Impact Aid; makes appropriation
- SJR-41/AJR-33 (Cruz-Perez, Addiego/Lopez, McKnight)** – Designates June 2 of each year as “Gun Violence Awareness Day”
- SJR-109/AJR-208 (Weinberg, Pou/McKnight, Benson, Vainieri Huttle)** – Condemns hate and violent extremism and commits to defense of safe and just democracy
- A-637/S-2670 (Caputo, Dancer, Houghtaling/Beach)** – Revises permit and license processes for sports pools operators and online sports pool operators; revises definitions of certain sports events; allows for transactional waiver for sports wagering lounge
- A-853/S-797 (Chiaravalloti, Karabinchak, McKnight/Cunningham, Doherty)** – Prohibits municipal licensure of children operating temporary businesses
- A-2311/S-356 (Calabrese, Jasey/Cryan, Codey)** – Establishes study commission to examine development of mutually beneficial relationships between institutions of higher education and municipalities
- A-3027/S-793 (Lampitt, Jasey, Houghtaling/Cunningham, Singleton)** – Commits \$3 million from Supplemental Workforce Fund for Basic Skill to NJ Community College Consortium for Workforce and Economic Development
- ACS for A-3352/S-3504 (Kennedy, Stanley, Calabrese/Smith)** – Requires certain newly constructed warehouses to be solar-ready buildings

A-3897/S-3263 (Armato, Mazzeo, DiMaso/Beach, Gopal) – Increases fee for New Jersey Waterfowl Stamps

A-4138/S-2701 (Vainieri Huttle, Benson, Giblin/Gopal, Codey) – Requires Department of Human Services to develop public emergency response plan for licensed providers of services to individuals with developmental disabilities

A-4367/S-2794 (Mukherji, Sumter, Taliaferro/Pou, Scutari) – Provides that AOC shall administer program for municipal courts allowing defendants to engage in online plea negotiations, entry of guilty plea, and payment of fine or penalty

A-4484/S-3153 (McKnight, Kennedy, Mukherji, Gove/Pou, Vitale) – Requires State Long-Term Care Ombudsman to establish long-term care advocacy and educational training program

A-4538/S-3131 (Lampitt, Quijano/Pou, A.M. Bucco) – Requires dental insurers to provide credits for reduced usage during coronavirus disease 2019 pandemic

A-4544/S-3150 (Caputo, Jasey, Murphy/Pou, Codey) – Permits school nurse who is retired from TPAF to return to employment for up to two years without reenrollment in TPAF

A-4633/S-2856 (Giblin, DeCroce/Pou) – Permits certain nonresident Certified Public Accountants to provide attest services

A-4831/S-3953 (Chaparro, Kennedy, Murphy/Scutari) – Clarifies classification in this State of criminal offenses committed in other states or under federal law

A-4836/S-3313 (Giblin, Benson, Downey/Pou, Turner) – Establishes task force to evaluate quality, efficacy, costs, and educational outcomes of online courses offered by public and independent institutions of higher education and degree-granting proprietary institutions during COVID-19 pandemic

A-4861/S-3041 (Vainieri Huttle, Armato, Verrelli/Vitale, Gopal) – Requires DOH to publish total number of COVID-19 deaths and cases in long-term care facilities

A-4869/S-2414 (Wirths, Verrelli, Space/Singleton, Madden) – Requires certain bidders for prevailing wage public work to provide proof that prevailing wage will be paid

A-5059/S-3031 (Conaway, Vainieri Huttle, Benson/Sweeney, Vitale) – Requires DOH to establish certain nursing education and professional advancement programs

A-5212/S-3638 (Conaway, Verrelli, Karabinchak/Turner, Diegnan) – Permits dentists to administer vaccines under certain circumstances

A-5751/S-3823 (Swain, Timberlake, Carter, Johnson/Weinberg, Gopal) – Expands State corrections officers training to include topics contributing to their core mission of treating inmates with dignity, fairness, and respect

A-5817/S-3852 (Tully, Swain, Benson/Lagana, Diegnan) – Revises violation and fines for approving or assigning unauthorized individuals as school bus drivers

A-5818/S-3849 (Tully, Swain, Benson/Lagana, Diegnan) – Provides for debarment of school bus contractors for certain violations; requires certain information in pupil transportation contract bid

AJR-204/SJR-105 (Jasey, Benson, Reynolds-Jackson/Cunningham, T. Kean) – Designates April of each year as “Educational Opportunity Fund (EOF) Month” in New Jersey

AJR-238/SJR-123 (Burzichelli/Sweeney, Singleton) – Urges U.S. President and EPA to take appropriate action, through waivers and other reforms, to allow blending of renewable fuels under the federal “Clean Air Act”

Governor Murphy conditionally vetoed the following bills:

S-108/A-169 (Gill, Turner/Caputo, Wirths) – **CONDITIONAL** - Concerns speech rights of student journalists at public schools and public institutions of higher education

[Copy of Statement](#)

S-2078/A-5008 (Weinberg, Addiego/Lampitt, Benson, Vainieri Huttie) – CONDITIONAL - Establishes “Stillbirth Resource Center” and regional Fetal and Infant Mortality Review Committee, and programs for the prevention and reduction of incidences of stillbirth; expands list of professionals authorized to provide stillbirth-related care

[Copy of Statement](#)

S-2160/A-5701 (Sweeney, Oroho, Singer/Carter, Lampitt, Jasey) – CONDITIONAL - Creates special education unit within the Office of Administrative Law; requires annual report

[Copy of Statement](#)

S-2525/A-4274 (Rice, Singleton, Turner/Conaway, Sumter, Stanley) – CONDITIONAL - Expands powers and duties of State Chief Diversity Officer to promote diversity in State government and public contracting

[Copy of Statement](#)

S-2559/ACS for A-4179 and 4200 (Gopal, Gill/Downey, Conaway, Benson, Houghtaling, Karabinchak) – CONDITIONAL - Revises requirements for health insurance providers and Medicaid to cover services provided using telemedicine and telehealth; appropriates \$5 million

[Copy of Statement](#)

S-2834/A-5312 (Ruiz, Cunningham/Quijano, Lampitt, McKnight) – CONDITIONAL - Mandates training on culturally responsive teaching for all candidates for teaching certification

[Copy of Statement](#)

S-2953/A-4785 (Sweeney, Cunningham/Quijano, Verrelli, Mukherji) – CONDITIONAL - Expands scope of inmate reentry assistance and benefits

[Copy of Statement](#)

S-3238/A-5213 (Ruiz, Pou/Verrelli, McKnight, McKeon) – CONDITIONAL - Establishes New Jersey Easy Enrollment Health Insurance Program

[Copy of Statement](#)

S-3488/A-5537 (Sweeney, Gopal, O'Scanlon/Burzichelli, Dancer, Spearman) – CONDITIONAL - Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization

[Copy of Statement](#)

S-3867/A-5868 (Addiego, Singleton/Benson, Verrelli, Vainieri Huttie) – CONDITIONAL - Establishes Opioid Recovery and Remediation Fund and Opioid Recovery and Remediation Fund Advisory Council; provides for funds received from opioid settlements to support substance use disorder prevention and treatment programs

[Copy of Statement](#)

S-3955/A-5905 (Ruiz/Timberlake, Speight, Spearman) – CONDITIONAL - Establishes “Rental Assistance Navigation Program” in DCA; makes appropriation

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A-1533/S-3321 (Spearman, Reynolds-Jackson, Schaer/Stack, Turner) – CONDITIONAL - Requires reservation of portion of tenant-based vouchers under State rental assistance program for persons displaced due to redevelopment of an affordable housing development; provides displaced persons with affordable housing priority status

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A-2455/S-2204 (Benson, Vainieri Huttie, DeAngelo/Greenstein, Oroho) – CONDITIONAL - Establishes pilot program in DOE to support FIRST Robotics Programs in school districts

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A-3062/S-1196 (Pintor Marin, Moen, Reynolds-Jackson/Pou, Cruz-Perez) – CONDITIONAL - Establishes three year Financial Empowerment Pilot Program

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A-4002/S-2257 (Caputo, Dancer, Murphy/Gopal, Sarlo) – CONDITIONAL - Allows deduction of promotional gaming credit from gross revenue on sports wagering

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A-4433/S-2715 (Greenwald, Mukherji, Lampitt/Beach, Corrado) – CONDITIONAL - Creates grant program to encourage school districts to partner with institutions of higher education in training school-based mental health services providers

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A-4435/S-2717 (Verrelli, Greenwald, Speight, Lampitt/Beach, Corrado) – CONDITIONAL - Requires DCF to give priority to certain school districts with student mental health counseling centers in awarding grants under School Based Youth Services Program

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A-4630/S-577 (Burzichelli/Madden, Singleton) – CONDITIONAL - Concerns labor harmony agreements in retail and distribution center projects

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A-4746/S-3947 (Mosquera, Lopez, Chaparro, Dunn/Vitale, Turner) – CONDITIONAL - Requires that certain provider subsidy payments for child care services be based on enrollment

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A-4834/S-3474 (Mazzeo, Quijano, Downey/Pou, Turner) – CONDITIONAL - Requires disclosure letter be included with mail falsely implying State government connection

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A-4850/S-3095 (Karabinchak, Freiman, Calabrese, Greenwald/Diegnan) – CONDITIONAL - Establishes expedited construction inspection program

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A-5033/S-3279 (Benson, Dancer, Verrelli/Gopal) – CONDITIONAL - Authorizes motor vehicle dealers to sell motor vehicles online and obtain electronic signatures for motor vehicle transactions

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A-5353/S-3421 (Conaway, Vainieri Huttie, Benson/Madden, Turner) – CONDITIONAL - Provides for certification of temporary nurse aides

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A-5599/S-3916 (Chiaravalloti, Vainieri Huttie, McKnight/Scutari, Gill) – CONDITIONAL - Establishes order of protection for current or former judge; upgrades and clarifies harassment against current or former judge; bars firearms possession by persons against whom current or former judge order of protection is entered

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A-5864/S-3939 (Speight, Pintor Marin, Chaparro, McKnight, DeAngelo, Bergen/Gopal, Cryan) – CONDITIONAL - Allows law enforcement officers to review body worn camera recordings prior to creating initial report

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Governor Murphy absolute vetoed the following bills:

S-415/A-4685 (Turner/Quijano, Verrelli) – ABSOLUTE - Requires reentry assistance to be provided to certain inmates who have served their maximum sentence

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S-969/ACS for A-2687 (Ruiz, Turner/Mazzeo, Lampitt, Moen) – CONDITIONAL - Establishes loan redemption program for teachers in certain fields to redeem loan amounts received under New Jersey College Loans to Assist State Students Loan Program through employment in certain low performing schools

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S-2261/A-4265 (Singleton/Conaway) – ABSOLUTE - Revises law relating to common interest communities

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S-2347/A-4030 (Sweeney, Greenstein, T. Kean/Mukherji, Benson, Murphy) – ABSOLUTE - Establishes Employment and Business-Related Tax Deferral Assistance Program in EDA to allow small businesses to defer the payment and remittance of certain employment and business-related taxes during COVID-19 public health emergency

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S-3093/A-4910 (Gopal, Sweeney, Singleton/Burzichelli, Johnson, Danielsen) – ABSOLUTE - Establishes county-based mitigation plan to allow businesses to operate during pandemic

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S-3505/A-5371 (Scutari, Weinberg/Mukherji, Johnson, Quijano) – ABSOLUTE - Requires assignment of unemployment claims handlers to legislative districts and partisan offices during COVID-19 pandemic state of emergency; appropriates \$1.8 million

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S-3868/A-5895 (Sarlo/Giblin) – ABSOLUTE - Concerns construction code enforcing agency fee revenue

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A-2722/S-1862 (Mukherji/Gopal, Oroho) – ABSOLUTE - Requires Commissioner of Corrections to institute 30-minute shift overlap in State correctional facilities

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A-4297/S-2631 (Houghtaling, Downey, Space/Gopal, Oroho) – ABSOLUTE - Permits conduct of bingos and raffles remotely; permits online sale of tickets for all bingos and raffles

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A-5231/S-3806 (Lopez, Coughlin, Freiman/Vitale) – ABSOLUTE - Allows county or municipal governing body to enter into revenue sharing agreement for alcoholic beverage sales by concessionaire permit holder

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Governor Murphy Takes Action on Legislation

01/18/2022

TRENTON – Governor Murphy today signed the following bills:

S-384/A-1964 (Weinberg, Singleton/Stanley, Munoz, McKeon, Sumter, Lampitt, Vainieri Huttle, Wimberly, Mosquera, Downey, Chiaravalloti) – Expands training for judges, law enforcement officers and assistant county prosecutors concerning handling of domestic violence cases

S-386/A-1763 (Weinberg, Singleton/Munoz, Vainieri Huttle, Downey, Mosquera, Lampitt, Benson) - Establishes mandatory domestic violence training for municipal prosecutors

S-396/A-4903 (Weinberg, Addiego/Johnson, Mukherji) – Adjusts statute of limitations on damage claim for construction defect in common interest communities

S-705/A-1077 (Ruiz, Cunningham/Speight, Vainieri Huttle, Downey) – Requires DOH to develop and implement plan to improve access to perinatal mood and anxiety disorder screening

SCS for S-844 and 2533/ACS for A-4635 (Pou, Greenstein/Zwicker, Lopez) – Revises reporting requirements for charitable organizations and non-profit corporations

S-867/A-2316 (Pou/Jimenez, Giblin, Johnson) – Permits physical therapists to perform dry needling under certain circumstances

S-896/A-2396 (Pou, Turner/Wimberly, Timberlake, Murphy) – Expands Office of Public Defender representation of juveniles; repeals section 4 of P.L.1968, c.371

S-969WGR/ACS for A-2687 (Ruiz, Turner/Mazzeo, Lampitt, Moen) – Establishes loan redemption program for certain teachers to redeem loan amounts received under New Jersey College Loans to Assist State Students Loan Program through employment in certain schools; makes annual appropriation of \$1 million

S-994/A-6248 (Sweeney, Singleton/Lopez) – Requires State agencies and political subdivisions to make good faith effort to purchase five percent of goods and services from Central Nonprofit Agency

SCS for S-1016/ACS for A-2070 (Smith, Bateman/Calabrese, Mukherji, Benson) – Restricts use of neonicotinoid pesticides

S-1020/AS for ACS for A-1184 and 4414 (Ruiz, Gopal/Zwicker, Conaway, Verrelli, Caputo) – Requires School Report Card to include demographic breakdown of students who receive disciplinary actions; requires Commissioner of Education to establish Statewide database concerning certain disciplinary actions

S-1559/A-1659 (Scutari, Diegnan/Quijano, Bramnick, Mukherji, Sumter, Downey, Dancer) – “New Jersey Insurance Fair Conduct Act”

S-1771/A-1489 (Madden, Turner/Moriarty, Mosquera, Vainieri Huttle) – Expressly prohibits invasive examination of unconscious patient by health care practitioner without patient’s prior informed written consent

S-2160wGR/A-5701 (Sweeney, Oroho, Singer/Carter, Lampitt, Jasey) – Creates special education unit within the Office of Administrative Law; requires annual report

SCS for S-2515/ACS for A-4676 (Smith, Greenstein/Quijano, Jasey, McKeon) – Establishes postconsumer recycled content requirements for rigid plastic containers, glass containers, paper and plastic carryout bags, and plastic trash bags; prohibits sale of polystyrene loose fill packaging

S-2723/A-2614 (Sweeney, Turner/Murphy, Benson, Timberlake) – “21st Century Integrated Digital Experience Act”

S-2830/A-5291 (Ruiz, Singleton/Quijano) – Requires educator preparation program to report passing rates of students who complete certain tests and to disseminate information on test fee waiver programs, and permits collection of student fee for certain testing costs

S-2835/A-5292 (Ruiz, Cunningham/Quijano, Lampitt, Jasey) – Requires compilation of data and issuance of annual reports on New Jersey teacher workforce

S-2921/A-5554 (Gopal, Greenstein/Houghtaling, Downey, Mukherji) – Allows municipalities to designate outdoor areas upon which people may consume alcoholic beverages

S-3009/A-4847 (Vitale, Gopal, Gill/Vainieri Huttle, Quijano, Verrelli) – Authorizes expanded provision of harm reduction services to distribute sterile syringes and provide certain support services to persons who use drugs intravenously

S-3081/A-5219 (Singleton/McKeon, Dunn) – Repeals law concerning excess rates and charges for title insurance; makes agreement to use services of title or settlement service company subject to attorney review

S-3164/A-4987 (Gopal, Singleton/Houghtaling, Vainieri Huttle, Giblin) – Creates NJ Legislative Youth Council

S-3265/A-5074 (Diegnan, Greenstein/DeAngelo, Dancer, Mukherji) – Permits members of SPRS to purchase service credit for prior public employment with federal government or another state

S-3342/A-5463 (Codey, Singleton/Jasey, Giblin, Timberlake) – Directs NJT to erect statue in honor of A. Philip Randolph; appropriates \$90,000

S-3465/A-4336 (Oroho, Sweeney/Houghtaling, Space) – Directs Department of Agriculture to pay annual premiums to enrolled dairy farmers for certain coverage under the federal Dairy Margin Coverage Program; appropriates \$125,000

S-3488wGR/A-5537 (Sweeney, Gopal, O'Scanlon/Burzichelli, Dancer, Spearman) – Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization

S-3493/A-5458 (Vitale, Gill/Vainieri Huttle, Mukherji, McKnight) – Permits expungement of possession or distribution of hypodermic syringe or needle offense in cases of previous expungement; repeals criminal offense of possession of syringe

S-3539/A5409 (T. Kean, Gopal/Houghtaling) – Directs DEP to establish grant program for local governments to support development of community gardens

S-3594/A-5509 (Singleton, Scutari/Zwicker, Reynolds-Jackson, Verrelli) – Provides that in personal

injury or wrongful death lawsuits, calculations of lost or impaired earnings capacity not be reduced because of race, ethnicity, gender identity or expression, or affectional or sexual orientation

S-3672/A-6009 (Singleton, Turner, Moen, Johnson, McKnight) – Permits exemption from civil service examination requirement for entry-level law enforcement officers, sheriff's officers, and State and county correctional police officers; permits hiring or appointment of such officers under certain conditions, and makes appropriation

S-3673/A-6219 (Gopal, Greenstein/Burzichelli) – Authorizes limited breweries and craft distilleries to sell at retail and offer for sampling purposes product bottled and stored off-site under certain circumstances

S-3685/A-5576 (Ruiz, Codey/Jasey, Lampitt, Mukherji) – Permits teacher and professional staff member who provides special services retired from TPAF to return to employment for up to two years without reenrollment in TPAF if employment commences during 2021-2022 and 2022-2023 school years

S-3707/A-5673 (Vitale, Ruiz/Vainieri Huttle, Downey, Zwicker) – Repeals statute criminalizing sexual penetration while infected with venereal disease or HIV under certain circumstances; requires that in prosecutions for endangering another by creating substantial risk of transmitting infectious disease, name of defendant and other person be kept confidential

S-3764/A-3369 (Gopal, Weinberg/Johnson, Stanley, Karabinchak) – Establishes Commission on Asian American Heritage in DOE

S-3810/ACS for A-5862 (Sweeney, Addiego, Greenstein/Benson, Quijano) – "Responsible Collective Negotiations Act"

S-3968/A-5930 (Singleton, Beach/Sumter, Karabinchak) – Increases purchasing threshold permitting Director of Division of Purchase and Property to delegate authority to agencies; increases bid advertising threshold on certain contracts by same scale

S-3975/A-5963 (Greenstein, Oroho/Benson, Vainieri Huttle, DeAngelo) – Establishes requirements to commence screening newborn infants for congenital cytomegalovirus infection; establishes public awareness campaign

S-4004wGR/A-5950 (Weinberg, Greenstein/Sumter, Benson, Reynolds-Jackson) – Establishes database of certain appointed positions and elected offices

S-4020/A-5867 (Gopal, Cunningham/Chiaravalloti, Jasey, Carter) – Expands bonding authority of New Jersey Educational Facilities Authority to permit financing for general funding needs at New Jersey's institutions of higher education

S-4021/A-6100 (Gopal, Ruiz/Mukherji, Jasey, Timberlake, Stanley) – Requires school districts to provide instruction on history and contributions of Asian Americans and Pacific Islanders as part of implementation of New Jersey Student Learning Standards in Social Studies

S-4043/A-6005 (Cunningham/Jasey, Greenwald) – Raises statutory threshold for certain public bidding, permits bidder disqualification due to prior negative experience, adds exemptions to public bidding requirement under "State College Contracts Law," and establishes process for cooperative pricing system

S-4063/A-6220 (Sweeney/Giblin, Egan) – Removes New Jersey Maritime Pilot and Docking Pilot Commission from appropriations act provision that limits compensation and health benefits; clarifies PERS and SHBP eligibility for members of commission

S-4068/ACS for A-6110 and 6185 (Sarlo, Oroho/Benson, Mukherji, Bramnick) – Revises elective pass-through entity business alternative income tax

S-4074wGR/A-6000 (Ruiz, Beach/Verrelli, Lampitt, Carter) – Allows alternative evaluation in place of basic skills testing requirements for certain teacher certification

SCS for S-4102/A-6230 (Sweeney, Ruiz/Benson, Mejia, Zwicker) – Establishes Direct Support Professional Career Development Program; appropriates \$1,000,000

S-4128/A-6231 (Sweeney, Pou/Houghtaling, Conaway, Dancer) – Requires that only fruits and vegetables grown and packaged in NJ may be labeled by food retailers as local to State

S-4207/A-6119 (Sweeney, Beach/Mukherji, Egan, Pintor Marin) – Concerns apprenticeship programs of public works contractors

S-4210/A-6062 (Sweeney, Greenstein/Greenwald, McKnight, Mukherji) – Requires EDA to establish loan program to assist certain businesses with funding to provide reasonable accommodations for employees with disabilities

S-4211/A-6228 (Sweeney, Corrado/Benson, Speight, Zwicker) – Establishes county college-based adult centers for transition for individuals with developmental disabilities; makes annual appropriation of \$4.5 million

S-4218/A-6256 (Scutari/Reynolds-Jackson, Wimberly, Mukherji) – Appropriates \$2 million to CRDA to support costs associated with hosting NAACP National Convention in Atlantic City

S-4233/A-6229 (Scutari, Gopal/Mukherji, Jimenez) – Limits fees charged to patients and authorized third parties for copies of medical and billing records

S-4252/A-6182 (Madden/Murphy, Chaparro) – Limits extension of mandatory retirement to 90 days from State Police Retirement System during emergencies

A-259/S-2224 (DeAngelo, Mukherji, Benson/Gopal, Pennacchio) – Provides civil service preference to military service members who did not serve in theater of operation but received campaign or expedition medal

A-798/S-52 (Verrelli, Vainieri Huttel, Armato/Singer, Greenstein) – Establishes local drug overdose fatality review teams

A-802/S-1352 (Verrelli, Reynolds-Jackson, Murphy/Turner, Pou) – Requires certain retailers to train employees on gift card fraud

A-862wGR/S-962 (Chiaravalloti, Karabinchak/Pennacchio, Pou) – Permits municipalities to refund excess property taxes paid by a taxpayer who wins an assessment appeal as a property tax credit

A-953/S-4031 (Karabinchak, Houghtaling/Pou) – Requires architects disclose insurance coverage

ACS for A-998 and 2349/S-4312 (Moen, Downey, Houghtaling, Benson, Vainieri Huttel/Ruiz, Beach, Singleton) – The “New Jersey Social Innovation Act”; establishes social innovation loan pilot program and study commission within EDA

A-1121/S-1871 (Murphy, Dancer, Stanley/Lagana, Pennacchio) – Upgrades certain crimes of misrepresenting oneself as member or veteran of US Armed Forces or organized militia

A-1219wGR/S-1054 (Chaparro, McKnight/Stack) – Requires owner notification of rabies testing protocol prior to testing of owner’s animal for rabies

A-1229wGR/S-2161 (Schaer, Mosquera, Tucker, Lampitt, Vainieri Huttle, Quijano, Wimberly, Pintor Marin, Jasey/Turner, Singleton) – Requires DCA to make information on homeless prevention programs and services available on its Internet website

A-1293/S-3977 (Greenwald, Burzichelli, Mukherji/Greenstein, Gopal) – Establishes advisory council for the brewery, cidery, meadery, and distillery industries in NJ and provides for funding through certain alcoholic beverage tax receipts

A-1663/S-1842 (Quijano, Vainieri Huttle, Karabinchak/Cryan, Scutari) – Establishes “New Jersey Nonprofit Security Grant Program”

A-2186/S-1599 (Mukherji, Chaparro, McKnight/Codey, Pou) – Establishes Statewide database of beds in shelters for the homeless

A-2360/S-3285 (Chaparro, Karabinchak, Johnson/Greenstein, Stack) – Requires electric public utility to charge residential rate for service used by residential customer for electric vehicle charging at charging stations within certain designated parking spaces

A-2685wGR/S-4209 (Armato, Mazzeo, Mukherji/Stack) – Concerns information on property condition disclosure statement

A-2772/S-1040 (Downey, Houghtaling, Benson/Gopal) – Authorizes certain Medicaid recipients residing on post-secondary school campus to participate remotely in meetings of non-medical nature regarding Medicaid benefits

A-2877/S-1149 (Dancer, Vainieri Huttle, Reynolds-Jackson/Ruiz) – Requires registration of certain vacant and abandoned properties with municipalities and provides enforcement tools related to maintenance of these properties

A-3007/S-3127 (Lampitt, Dunn, Benson/Lagana, Gopal) – Requires institutions of higher education to provide students with access to mental health care programs and services and to establish a hotline to provide information concerning the availability of those services

A-3392/S-1219 (Reynolds-Jackson, Timberlake, Jasey/Turner, Beach) – Requires student representative be appointed to each board of education of school district and board of trustees of charter school that includes grades nine through 12

A-3804/S-1590 (Armato, Murphy, S. Kean/Beach, A.M. Bucco) – Designates 9-1-1 operators or dispatchers as 9-1-1 first responder dispatchers

A-3870/S-2807 (Karabinchak, Johnson, Mukherji/Greenstein, Pou) – “Defense Against Porch Pirates Act”; amends theft statute

A-3950wGR/S-3180 (Verrelli, Benson, Zwicker/Greenstein, Turner) – Prohibits employer use of tracking device in vehicle operated by employee under certain circumstances

A-4002wGR/S-2257 (Caputo, Dancer, Murphy/Gopal, Sarlo) – Allows deduction of promotional gaming credit from gross revenue on sports wagering

A-4232/S-4231 (Houghtaling, Dancer, Wirths/Oroho, Smith) – Creates program in Department of Agriculture for deer fencing on certain farmland

A-4238/S-2561 (Chiaravalloti, Schaer, Benson/Gopal, Singer) – Establishes minimum Medicaid reimbursement rate for adult medical day care services

A-4241/S-2894 (Downey, Vainieri Huttle, Murphy/Pou) – Requires DHS to conduct biennial survey of SNAP experience

ACS for A-4253/S-3233 (Conaway, Pinkin, Jimenez/Cryan) – Requires certain electronic medical programs to include demographic data entry feature; requires laboratories to record certain patients' demographic information; requires certain hospitals and laboratories to implement cultural competency training program

A-4366/S-2801 (Taliaferro, Sumter, Mukherji/Pou, Greenstein) – Requires Police Training Commission to contract with crisis intervention training center to provide mental health training to police officers and establish curriculum specific to persons experiencing economic crisis or substance use disorder

A-4434wGR/S-2716 (Greenwald, Lampitt, Mukherji/Beach, Ruiz) – Establishes Student Wellness Grant Program in DOE

A-4478/S2759 (Vainieri Huttle, Speight, Schepisi, DeCroce/Vitale, Madden) – Establishes additional requirements for DOH to assess sanctions and impose penalties on nursing homes; revises reporting requirements for nursing homes

A-4569/S-3535 (Reynolds-Jackson, Benson, Karabinchak/Turner) – Requires BPU, electric power suppliers, and gas suppliers to publish certain information related to filing of customer complaints

ACS for A-4655/S-3595 (Reynolds-Jackson, Wimberly, Carter/Turner) – Limits police presence at polling places and ballot drop boxes; prohibits electioneering within 100 feet of ballot drop box

A-4771/S-2951 (Downey, Armato, Mukherji/Gopal, Singleton) – Expands offenses eligible for expungement upon successful discharge from drug court

A-4856/S-3094 (Lampitt, Benson, Caputo/Ruiz, Beach) – Requires Internet websites and web services of school districts, charter schools, renaissance schools, and the Marie H. Katzenbach School for the Deaf to be accessible to persons with disabilities

A-5033wGR/S-3279 (Benson, Dancer, Verrelli/Gopal) – Authorizes motor vehicle dealers to sell motor vehicles online and obtain electronic signatures for motor vehicle transactions

ACS for A-5075wGR/S-4001 (Burzichelli, Dancer, Johnson/Sweeney, A.M. Bucco) – Removes Fire Museum and Fallen Firefighters Memorial from auspices of DEP and establishes museum as independent organization; makes \$200,000 supplemental appropriation

A-5160/S-3324 (DeAngelo, Conaway, Zwicker/Smith, Bateman) – Establishes minimum energy and water efficiency standards for certain products sold, offered for sale, or leased in the State

A-5294/S-3418 (Speight, Vainieri Huttle, Verrelli/Gopal, Madden) – Provides fast track hiring and advancement employment opportunities by State for persons with significant disabilities

A-5296/S-3426 (Speight, Vainieri Huttle, McKnight/T. Kean, Schepisi) – Provides for employment by State of certain persons with disabilities

A-5322/S-3433 (Mosquera, Vainieri Huttle, DePhillips/Cruz-Perez, T. Kean) – Provides for process to vacate and expunge certain arrests, charges, complaints, convictions, other dispositions, and DNA

records, associated with violations by certain human trafficking victims

A-5336wGR/S-3441 (Benson, Freiman, Vainieri Huttie/Diegnan, Madden) – Requires DHS to establish payment programs for purchase of transportation services from private sector and government transportation service providers

A-5439/S-3760 (Caputo, Dancer, Murphy/Gopal, Beach) – Changes deadline for New Jersey Racing Commission's annual report from end of calendar year to end of State fiscal year

A-5694/S-3783 (Houghtaling, Downey, Dancer/Gopal, Madden) – Permits dependents of military member to enroll in school district in advance of military member's relocation to district

A-5814/S-3851 (Swain, Tully, Benson/Lagana, Diegnan) – Creates Office of School Bus Safety in Department of Education; appropriates \$200,000

A-5864wGR/S-3939 (Speight, Pintor Marin, Chaparro, McKnight, DeAngelo, Bergen/Gopal, Cryan) – Allows law enforcement officers to review body worn camera recordings prior to creating initial report

A-5997/S-4084 (Coughlin, Lopez/Sweeney, O'Scanlon) – Removes requirement for Legislature, DOE, free public libraries, and historical societies to purchase "Manual of the Legislature of New Jersey"

A-6012/S-4076 (Moen, Murphy, Freiman/Sarlo, Gopal) – Appropriates \$500,000 for USS New Jersey Commissioning Committee to support commissioning of boat and assigned personnel

A-6020/S-4114 (Conaway, Jimenez, Vainieri Huttie/Codey) – Establishes requirements for certain tobacco product retailers to stock and sell nicotine replacement therapy products

A-6060/S-4272 (Tucker, Caputo, Mukherji/Cunningham) – Makes supplemental appropriation of \$8 million to DHS to increase reimbursement for funeral, burial, and crematory services provided to certain beneficiaries of Work First New Jersey and Supplemental Security Income programs

A-6073/S-4140 (Verrelli/Vitale) – Temporarily waives certain basic life support services crewmember requirements

A-6093/S-4201 (Stanley, Benson, Timberlake/Greenstein, Gopal) – Mandates periodic cancer screening examinations for firefighters enrolled in SHBP

A-6108wGR/S-4247 (DeAngelo, Egan, Houghtaling/Madden) – Updates licenses offered by and certain licensure requirements from Board of Examiners of Electrical Contractors

A-6132/S-4235 (Schaer, Greenwald, Conaway/Singer, Gopal) – Permits volunteer paramedics to operate within mobile intensive care units

A-6133/S-4251 (Bramnick, Mukherji, Downey/Scutari) – Allows certain persons not yet appointed as administrator of estate to pursue lawsuit for damages for wrongful death on behalf of deceased's survivors

A-6150/S-4119 (DeAngelo, Karabinchak, Wirths/Oroho, Pou) – Revises penalties for transfer of certain professional and occupational licenses

A-6159/S-4236 (Coughlin, McKnight/Vitale, Ruiz) – Revises and renames Office of Food Insecurity Advocate

A-6162/S-4246 (Benson, Stanley/Gopal) – Requires certain motor vehicle dealers to maintain certain

requirements for business premises

A-6205/S-4270 (Coughlin, McKeon/Pou) – Amends certain requirements concerning insurance holding companies

A-6206wGR/S-4260 (Wimberly/Diegnan, Oroho) – Codifies right of real estate broker-salespersons and salespersons to define relationship with broker as one between broker and independent contractor or employee and enforces current and previous written agreements addressing relationship

A-6207/S-4222 (Greenwald, Lampitt, Benson/Sweeney) – Eliminates requirement for DOE to set certain tuition rates for approved private schools for students with disabilities in certain cases

A-6208/S-4151 (Mosquera, DeAngelo, Armato/Greenstein, Cruz-Perez) – Appropriates \$60,940,361 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-6209/S-4154 (Freiman, Spearman, Egan/Turner, Oroho) – Appropriates \$18 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for county planning incentive grants for farmland preservation purposes

A-6210/S-4150 (Taliaferro, Moriarty, Burzichelli/Cruz-Perez, Greenstein) – Appropriates \$4.5 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for municipal planning incentive grants for farmland preservation purposes

A-6211/S-4149 (Houghtaling, Reynolds-Jackson, Downey/Cruz-Perez, Greenstein) – Appropriates \$440,240 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for grants to certain nonprofit organizations for farmland preservation purposes

A-6212/S-4148 (Jimenez, Swain, Timberlake/Codey, Corrado) – Appropriates \$54.5 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

A-6213/S-4155 (Kennedy, Carter, Tully/Bateman, Smith) – Appropriates \$49.932 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreation and conservation purposes, including Blue Acres projects, and Green Acres Program administrative costs

A-6214/S-4153 (Danielsen, Zwicker, Conaway/Greenstein, Smith) – Appropriates \$80,539,578 from constitutionally dedicated CBT revenues and various Green Acres funds to DEP for local government open space acquisition and park development projects

A-6215/S-4152 (Stanley, Murphy, Jasey/Smith, Greenstein) – Appropriates \$14,687,510 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes

A-6246/S-4295 (Karabinchak/Sweeney) – Concerns changes in control of hotels and disruptions of hotel services

A-6257/S-4311 (McKnight/Sweeney, Singleton) – Imposes surcharge on casino hotel occupancies to fund public safety services

A-6262/S-4314 (Burzichelli, Reynolds-Jackson, Mukherji/Sweeney, Oroho, T. Kean) – Permits PERS retiree to return to employment in NJ Legislature after retirement under certain circumstances

A-6263/S-4315 (Burzichelli, Reynolds-Jackson, Mukherji/Sweeney, Oroho, T. Kean) – Appropriates \$2 million to Legislative Services Commission

Governor Murphy pocket vetoed the following bills:

S-73/A-4580 (Bateman, Sarlo/Zwicker, Thomson, McKnight) – Establishes requirements for sale of cottage food products

S-995/A-6172 (Sweeney, A.M. Bucco/Downey, McKnight) – Requires DOLWD and DHS to conduct assessment of community rehabilitation programs and community businesses

S-1934/A-1158 (Sweeney, Pou, Cryan/Freiman, Lopez, Murphy) – Authorizes use of disability benefits for transportation provided by transportation network companies

S-2679/A-1979 (Beach, Smith/Stanley, Lopez, Kennedy) – Requires paint producers to implement or participate in paint stewardship program

S-2768/A-4664 (Singleton, Ruiz/Reynolds-Jackson, Stanley, Sumter) – Authorizes State Chief Diversity Officer to conduct disparity study concerning utilization of minority-owned and women-owned businesses in State procurement process

S-3458/A-6245 (Lagana, Gopal/Coughlin, Jimenez, Mukherji) – Revises out-of-network arbitration process

S-3529/A-5442 (Addiego, Diegnan/DeAngelo, Dancer, Dunn) – Clarifies that member of SPRS may receive accidental disability benefit under certain circumstances

S-3715/A-5804 (Cryan/Quijano, Mukherji) – Modifies certain definitions related to transient accommodation taxes and fees

S-4189/A-6112 (Vitale, Cruz-Perez/Lopez) – Permits PERS retiree to return to elective public office after retirement under certain circumstances

A-1073/S-3432 (Speight, Pintor Marin, McKnight, Timberlake/Ruiz, O'Scanlon) – Establishes requirements to screen certain people who are pregnant and who have given birth for preeclampsia

A-1269/S-3490 (Greenwald, Giblin, Calabrese/Cruz-Perez, Beach) – Eliminates one percent tax on purchasers of Class 4A commercial property transferred for consideration in excess of \$1 million

A-4958/S-3740 (Tully, Armato, Zwicker/Lagana, Oroho) – Provides temporary exemption under sales and use tax for winterizing certain small business operations

A-5334/S-3442 (Lopez, Mazzeo, Stanley/Diegnan, T. Kean) – Requires DOT, NJT, and DHS to study and implement transportation mobility and accessibility improvements for persons with autism and developmental disabilities

A-5484/S-3817 (Dancer, Caputo, Houghtaling/Lagana) – Requires New Jersey Racing Commission to adopt procedures to enforce internal controls; requires annual audit

A-6033/S-4194 (Bramnick/Sweeney, T. Kean) – Classifies golf caddies as independent contractors for purposes of State employment laws

A-6157/S-4202 (Speight, Moen/Ruiz, Beach) – Prohibits circumventing intergovernmental transfer process for law enforcement officers in certain circumstances

