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BILL NO. _____
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AN ACT concerning school district regionalization, and amending and repealing various sections of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021).

Modifies certain eligibility requirements under grant program for cost reimbursement of conducting regionalization feasibility studies and updates grant program reporting requirements; repeals law that permits withdrawal from certain regional school districts.

PRIME Sponsor _____ / _____

<u>CO-Sponsor</u>	<u>District</u>	<u>CO-Sponsor</u>	<u>District</u>
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Same as _____ 18/19 Same as _____ 20/21

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AN ACT concerning school district regionalization, and amending and repealing various sections of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021).

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

1. Section 3 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) is amended to read as follows:

3. a. The boards of education or governing bodies of two or more school districts seeking to form a limited purpose or all purpose regional district and that wish to apply for funding under the grant program established pursuant to section 2 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) shall jointly submit an application to the division. The application shall identify and designate at least one project coordinator from one or more participating districts who shall be responsible for overseeing the activities associated with conducting the feasibility study proposed under the application and for fulfilling any requirements prescribed by the division in the receipt of a grant under the program. The application shall also include:

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

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

(a) facility utilization;

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

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

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

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.

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

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

(g) State aid and tax revenue projections;

(h) potential cost savings or increases from regionalization;

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

(j) kindergarten through 12 curriculum coordination improvements;

(k) potential enrichment of educational programs for students; and

(l) calculation and methods of apportionment for determining membership on the regional district board of education among the constituent districts;

(3) a description of the intended use of grant funding in supporting the costs associated with conducting the feasibility study;

(4) a demonstration of the boards' or governing bodies' capacities to oversee the proposed feasibility study;

(5) a list of personnel or outside consultants who would be conducting the feasibility study, which consultants shall be selected in accordance with applicable State law;

(6) a plan to incorporate public and stakeholder participation and ideas in the regionalization study process, which shall include school board members, parents, teachers, administrators, non-instructional staff, union representatives, municipal officials, and interested citizens; and

(7) any other materials or information as may be required by the division to effectively evaluate the proposed feasibility study and assess the costs associated with conducting the feasibility study.

b. In order to be eligible to receive a grant under the grant program established pursuant to section 2 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021), the boards of education or governing bodies shall demonstrate that the proposed regionalization:

(1) 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**;

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(2) to the maximum extent practicable, will lead to the establishment of a limited purpose or all purpose regional district;

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

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

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

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

(7) 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.

c. The Commissioner of Education shall review every application submitted pursuant to this section, except for an application eligible for preliminary approval pursuant to subsection b. of section 4 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021), and shall certify, in writing, that the newly formed or enlarged regional district will not, and will not be foreseeably likely to, increase or exacerbate segregation among the districts seeking to regionalize [or, as applicable, the school districts from which a school district is seeking to withdraw] and school districts in the surrounding region as determined by the number and percentage of students affected by such consolidations [or withdrawals].

(cf: P.L.2021, c. , s.3)

2. Section 8 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) is amended to read as follows:

8. The Division of Local Government Services in the Department of Community Affairs, in consultation with the Department of Education, shall submit a report on the implementation of the grant program established pursuant to section 2 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) within one year following the date of enactment of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) and annually thereafter. The report shall include, but not be limited to:

a. an analysis of the grant program identifying:

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

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

(3) the amount of each grant awarded;

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

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

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

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

c. information on whether any grant recipients completed regionalization;

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

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

(cf: P.L.2021, c. , s.8)

3. Section 11 of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) is repealed.

4. This act shall take effect immediately.

STATEMENT

This bill revises certain provisions of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) to clarify that a grant shall not be provided to an applicant for use in a feasibility study examining whether to withdraw a district from a regional or consolidated school district for any purpose and to remove the references to such withdrawals from the provisions of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021).

Accordingly, the bill removes language referencing the school districts from which a board of education or governing body is seeking to withdraw as it pertains to the requirement that a board of education or governing body seeking a grant for a feasibility study pursuant to the provisions of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) include an examination as to whether the proposed regionalization does, or is foreseeably likely to, increase or exacerbate segregation of certain student populations in a school district seeking to consolidate. Additionally, the bill removes language referencing the school districts from which a board of education or governing body is

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seeking to withdraw as it pertains to the requirement that the Commissioner of Education review applications submitted for a grant pursuant to the provisions of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) and certify, in writing, that the newly formed or enlarged regional district does not, and is not foreseeably likely to, increase or exacerbate segregation among the school districts seeking to regionalize.

This bill makes changes to what is to be included in a report submitted by the Division of Local Government Services in the Department of Community Affairs, in consultation with the Department of Education, to the Governor and Legislature on the implementation of the grant program established pursuant to P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) to remove reference to school districts seeking to withdraw from regional school districts consistent with the provisions contained in this bill.

This bill also repeals a section of law that provides a mechanism by which certain boards of educations or governing bodies of school districts can 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 without obtaining the approval of all boards of educations or governing bodies that form the regional district from which a board of education or governing body is seeking to withdraw.

It is the sponsor’s intent to clarify that a grant provided to a board of education or governing body pursuant to the provisions of P.L.2021, c. (C.) (pending before the Legislature as Senate Bill No. 3488 (2R) of 2021) is not to be used for a feasibility study to examine the termination of a sending-receiving relationship.

Modifies certain eligibility requirements under grant program for cost reimbursement of conducting regionalization feasibility studies and updates grant program reporting requirements; repeals law that permits withdrawal from certain regional school districts.

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