

[Second Reprint]

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:

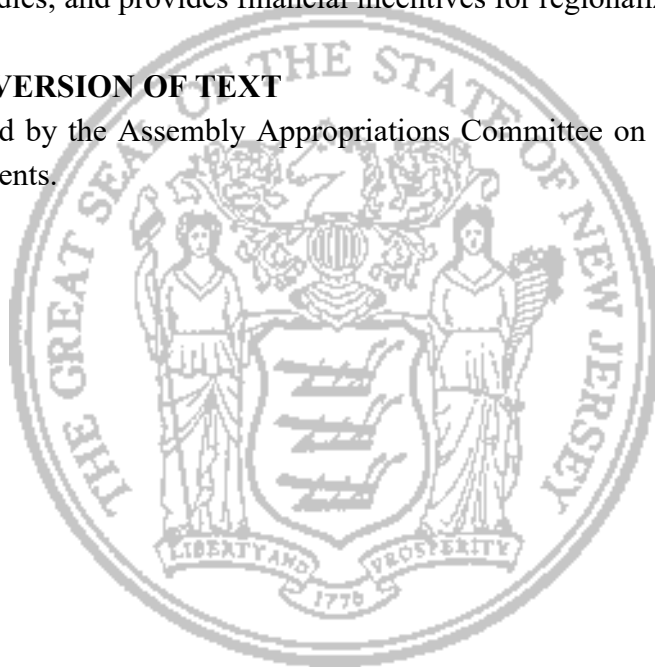
Senators Singleton and Oroho

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 reported by the Assembly Appropriations Committee on June 16, 2021, with amendments.



(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, ¹a municipality
19 constituting part of a¹ consolidated school district, and the
20 governing body of a municipality constituting a constituent district
21 of a limited purpose or all purpose regional 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.

40 ²The division shall retain one percent of funds appropriated or
41 otherwise made available for the program for the purpose of
42 offsetting the expenses related to the administration of the
43 program.² In addition to funds being made available to boards of
44 education and governing bodies seeking to conduct feasibility

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.

1 studies after the date of enactment of P.L. , c. (C.)
2 (pending before the Legislature as this bill), funds under the grant
3 program shall be made available to:

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

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

13

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

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

36 (2) a detailed narrative describing the proposed regionalization
37 plan or plans to be studied, as well as potential areas for educational
38 and fiscal improvement and racial and socioeconomic integration. The
feasibility study shall include, but

39 need not be limited to, options to address issues related to:

40 (a) facility utilization;

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

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

- 1 (d) projected enrollment trends, including the impact on the
- 2 demographic breakdown of the student population, including race,
- 3 ethnicity, and national origin, and projected changes in class size;
- 4 (e) current and projected staffing needs and costs, including
- 5 retirement and attrition trends for instructional, administrative, and
- 6 support staff;
- 7 (f) an analysis of the differences in the salaries and terms and
- 8 conditions of employment in elementary, middle, and high school
- 9 teachers', administrators', and support staffs' contracts among the
- 10 various districts and the distribution of all compensation among
- 11 covered employees, including the potential impact of expired
- 12 contracts moving forward,¹ which analysis shall be developed by
- 13 school districts and the majority representatives of all recognized
- 14 bargaining units;
- 15 (g) State aid and tax revenue projections;
- 16 (h) potential cost savings or increases¹ from regionalization;
- 17 (i) student seat time and distance traveled, as well as potential
- 18 increased or reduced transportation costs;
- 19 (j) kindergarten through 12 curriculum coordination
- 20 improvements;
- 21 (k) potential¹ enrichment of educational programs for students;
- 22 and
- 23 (l) calculation and methods of apportionment for determining
- 24 membership on the regional district board of education among the
- 25 constituent districts;
- 26 (3) a description of the intended use of grant funding in
- 27 supporting the costs associated with conducting the feasibility
- 28 study;
- 29 (4) a demonstration of the boards' or governing bodies'
- 30 capacities to oversee the proposed feasibility study;
- 31 (5) a list of personnel or outside consultants who would be
- 32 conducting the feasibility study, which consultants shall be selected
- 33 in accordance with applicable State law;
- 34 (6) a plan to incorporate public and stakeholder participation
- 35 and ideas in the regionalization study process, which shall include
- 36 school board members, parents, teachers, administrators, non-
- 37 instructional staff, union representatives, municipal officials, and
- 38 interested citizens; and
- 39 (7) any other materials or information as may be required by the
- 40 division to effectively evaluate the proposed feasibility study and
- 41 assess the costs associated with conducting the feasibility study.
- 42 b. In order to be eligible to receive a grant under the grant
- 43 program established pursuant to section 2 of P.L. , c. (C.)
- 44 (pending before the Legislature as this bill), the boards of education
- 45 or governing bodies shall demonstrate that the proposed
- 46 regionalization:

- 1 (1) does not², and is not foreseeably likely to,² increase or
 2 exacerbate the segregation of students ²by racial, socioeconomic,
 3 disability, or English Language Learner status as determined by the
 4 number and percentage of students² enrolled in the school districts
 5 seeking to consolidate ~~or, as applicable, in the school districts from~~
 6 ~~which a school district is seeking to withdraw~~ ²[by racial, socio-
 7 economic, disability, or English Language Learner status]²;
 8 will result in racial and socioeconomic integration for participating districts
relative to the demographics of the region as defined by the county, the
Metropolitan Statista Area (MSA) of participating districts and surrounding
school districts contiguous to participating districts;
- 9 will lead to a de-concentration of poverty and a reduction of racial segregation
among school districts within the region of participating districts as defined by
the county, Metropolitan Statista Area of participating districts and among
surrounding school districts contiguous to participating districts;
- 10 (2) to the maximum extent practicable, will lead to the
 11 establishment of a limited purpose or all purpose regional district;
- 12 (3) consolidates school districts that are in close geographic
 13 proximity of each other. School districts need not be immediately
 14 contiguous as long as any geographic separation is not so large as to
 15 contradict the potential for improved efficiency and cost savings;
- 16 (4) possesses the potential for improved efficiency and cost
 17 savings;
- 18 (5) possesses the potential to advance an enhanced learning
 19 environment for participating districts;
- 20 (6) coordinates curriculum across schools and grades throughout
 21 the proposed limited purpose or all purpose regional school; and
- 22 (7) reflects a documented commitment from the participating
 23 districts to make good faith efforts to implement the
 24 recommendations of the feasibility study that promote efficiency
 25 and quality of education.
- 26 (8) possesses the potential to advance racial and economic inclusion
and integration for participating districts;
- 27 School districts seeking to conduct a feasibility study to investigate and/or
support terminating a sending receiving relationship under 18A:38-13 shall not
be eligible for a grant under this statute;
- 28 School districts currently under a send sending receiving relationship under
18A:38-13 shall be eligible for a grant under this statute if the purpose of the
grant is to form or enlarge a limited purpose or all purpose regional district so
as long as all participants in the current sending receiving relationship are
participants in the proposed regional school district;
- 29 c. The Commissioner of Education shall review every
 30 application submitted pursuant to this section, except for an
 31 application eligible for preliminary approval pursuant to subsection
 32 b. of section 4 of P.L. , c. (C.) (pending before the
 33 Legislature as this bill), and shall certify, in writing, that the newly
 34 formed or enlarged regional district will not², and will not be

35 foreseeably likely to² increase or exacerbate segregation among the
36 districts seeking to regionalize ~~or, as applicable, the~~⁴~~[schools]~~
37 ~~school~~⁴ districts from which a school district is seeking to withdraw
38 ~~and school districts in the surrounding region as determined by the~~²
39 ~~number and percentage of students affected by such consolidations~~
40 ~~or withdrawals~~²;

36

37 4. (New section) a. The division shall review all applications
38 submitted pursuant to section 3 of P.L. , c. (C.) (pending
39 before the Legislature as this bill) and shall only approve
40 applications that meet the eligibility criteria set forth in subsection
41 b. of section 3 of P.L. , c. (C.) (pending before the
42 Legislature as this bill) and that are certified by the commissioner
43 pursuant to subsection c. of section 3 of P.L. , c. (C.)
44 (pending before the Legislature as this bill). Boards of education or
45 governing bodies whose applications are denied approval for a grant
46 shall be provided a notice describing the reasons for the denial and
47 the applicant shall be afforded an opportunity for a hearing before

1 an administrative law judge to contest the decision, which shall
2 conform with the provisions applicable to such contested cases in
3 this State as set forth in statute and regulation.

4 b. The division may grant preliminary approval of an
5 application submitted by the boards of education or governing
6 bodies of two or more school districts pursuant to section 3 of
7 P.L. , c. (C.) (pending before the Legislature as this bill) if
8 the division determines that the application contains sufficient
9 evidence to demonstrate that the proposed regionalization complies
10 with the criteria enumerated in subsection b. of section 3 of P.L. ,
11 c. (C.) (pending before the Legislature as this bill) and is
12 proposing to:

13 (1) form a countywide school district; or

14 (2) form an all purpose regional district by expanding an
15 existing limited purpose regional district through consolidation with
16 some or all of the constituent school districts of the existing limited
17 purpose regional district.

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

25 c. Boards of education or governing bodies receiving
26 application approval pursuant to this section shall be reimbursed for
27 any eligible costs of the feasibility study up to an amount or
28 percentage to be annually determined by the division, with 50
29 percent of the grant award to be distributed upon the division's final
30 approval of the grant application and the remaining 50 percent of
31 the grant award to be distributed upon the division's acceptance of
32 the completed feasibility study. Boards of education or governing
33 bodies receiving application approval pursuant to subsection a. of
34 this section, 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, shall be eligible for reimbursement up to an amount or
38 percentage to be determined by the division of any costs associated
39 with conducting the study upon execution of the regionalization
40 outlined in the boards' or governing bodies' application. The
41 division shall also annually determine the costs that are eligible and
42 ineligible for reimbursement under this section.

43

44 5. (New section) a. Notwithstanding the provisions of section
45 2 of P.L.1995, c.294 (C.18A:6-31.4) or of any other law, rule, or
46 regulation to the contrary, whenever a regional district is formed
47 following the approval of an application pursuant to section 4 of
48 P.L. , c. (C.) (pending before the Legislature as this bill):

1 (1) the salary guide and terms and conditions of employment,
2 whether established through a collective negotiations agreement or
3 past practice, of the largest constituent school district shall apply in
4 full after three years following the formation of the regional district
5 or until a successor agreement is negotiated with the majority
6 representative of the new school district, whichever occurs
7 first. The salary guide and terms and conditions of employment
8 that will apply pursuant to the provisions of this subsection shall be
9 based upon the terms and conditions of employment of the largest
10 constituent district made up of only the identical grade levels. In
11 the event that there is no constituent district made up of only the
12 identical grade levels, the salary guide and terms and conditions of
13 employment that will apply pursuant to the provisions of this
14 subsection shall be ¹[provided]¹ based upon the terms and
15 conditions of employment of the largest constituent district
16 containing the identical grade levels; and

17 (2) in the event that there is an employee bargaining unit in a
18 constituent school district with the next largest number of
19 employees and with a majority representative of the unit, which is
20 not so represented in the largest school district, the terms and
21 conditions of employment for all employees holding positions in
22 that unit in the newly formed regional district shall apply provided
23 that the terms and conditions of employment shall only apply to the
24 newly formed regional district's employees in that bargaining unit.

25 b. Notwithstanding the provisions of the "New Jersey
26 Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1
27 et seq.) or of any other law, rule, or regulation to the contrary,
28 whenever a regional district is formed following the approval of an
29 application pursuant to section 4 of P.L. , c. (C.) (pending
30 before the Legislature as this bill), the newly formed regional
31 district shall recognize ¹[the] each¹ majority representative of the
32 ¹[classification of employees] existing bargaining units¹ in the
33 largest constituent district as the majority ¹[representative]
34 representatives¹ of those ¹separate bargaining units of¹ employees,
35 except that if the largest constituent district does not ¹[represent
36 that] have a majority representative currently representing a¹
37 classification of employees, then the majority representative of the
38 next largest constituent district that represents ¹a bargaining unit
39 representing¹ that classification of employees shall be recognized
40 by the newly formed regional district as the majority representative
41 of that classification of employees.

42 c. ¹Notwithstanding any law, rule, or regulation to the contrary,
43 beginning on the date upon which a school district submits an
44 application pursuant to section 3 of P.L. , c. (C.) (pending
45 before the Legislature as this bill), the boards of education or
46 governing bodies of any affected, constituent, replaced, displaced,
47 or dissolved districts shall not enter into a subcontracting agreement

1 which affects the employment of any employees in a collective
2 bargaining unit represented by a majority representative until the
3 date that the newly formed or existing limited purpose or all
4 purpose regional district commences operations following the
5 completion of the dissolution, displacement, merger,
6 regionalization, or consolidation of the constituent districts at which
7 time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) shall
8 control.

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

12

13 6. (New section) The Department of Education shall reimburse
14 participating districts for any costs incurred to hold an election to
15 establish or enlarge a limited purpose or all purpose regional district
16 provided that the decision to establish or enlarge a limited purpose
17 or all purpose regional district stems from the completion of a
18 feasibility study conducted in connection with the grant program
19 established pursuant to section 2 of P.L. , c. (C.) (pending
20 before the legislature as this bill).

21

22 7. (New section) The Division of Local Government Services in
23 the Department of Community Affairs shall provide notice to the
24 Senate President, the Speaker of the General Assembly, the
25 Minority Leader of the Senate, and the Minority Leader of the
26 General Assembly upon the division’s receipt of an application for
27 a grant award submitted pursuant to section ¹[4] ³ of P.L. ,
28 c. (C.) (pending before the Legislature as this bill). The
29 notice shall be provided within 15 days of the division’s receipt of
30 the application and shall include information identifying each
31 applicant seeking a grant award.

32

33 8. (New section) The Division of Local Government Services
34 in the Department of Community Affairs, in consultation with the
35 Department of Education, shall submit a report on the
36 implementation of the grant program established pursuant to section
37 2 of P.L. , c. (C.) (pending before the Legislature as this
38 bill) to the Governor, and to the Legislature pursuant to section 2 of
39 P.L.1991, c.164 (C.52:14-19.1) within one year following the date
40 of enactment of P.L. , c. (C.) (pending before the
41 Legislature as this bill) and annually thereafter. The report shall
42 include, but not be limited to:

43 a. an analysis of the grant program identifying:

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

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

48 (3) the amount of each grant awarded;

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

3 (5) the reasoning behind the denial of any grant application;
4 ²and

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

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

13 c. information on whether any grant recipients completed
14 regionalization;

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

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

22

23 9. (New section) Notwithstanding any law, rule, or regulation to
24 the contrary, whenever the salary guide and terms and conditions of
25 employment of one or more school districts seeking to join a newly
26 formed or existing limited purpose or all purpose regional district is
27 set to expire upon the formation of the new regional district, the
28 school district may:

29 a. elect to adopt the expiring salary guide and terms and
30 conditions of employment for a period not to exceed one year or
31 until a successor agreement is negotiated with the majority
32 representative of the new regional district, whichever occurs first;
33 or

34 b. elect to adopt the salary guide and terms and conditions of
35 employment of the largest comparable district joining the new
36 regional district.

37

38 10. (New section) Notwithstanding section 3 of P.L.1995, c.294
39 (C.18A:6-31.5) or any other law, rule, or regulation to the contrary,
40 whenever a limited purpose or all purpose regional district is
41 formed or enlarged, the tenure and seniority rights of all employees
42 from the affected, constituent, replaced, displaced, or dissolved
43 districts, except for employees who are superintendents without
44 prior underlying tenure and seniority rights in the affected,
45 constituent, replaced, displaced, or dissolved districts, which form
46 or are a part of, or are affected, replaced, or displaced by the newly
47 formed or enlarged limited purpose or all purpose regional district,
48 shall be recognized and preserved by the newly formed or enlarged

1 limited purpose or all purpose regional district and all periods of
 2 employment in any of the school districts shall count toward
 3 acquisition of tenure and seniority in the newly formed or enlarged
 4 limited purpose or all purpose regional district. All statutory and
 5 contractual rights to accumulated sick leave, leave of absence, and
 6 pension of an employee that have been acquired through
 7 employment in any of the districts shall be recognized by the newly
 8 formed or enlarged limited purpose or all purpose regional district.
 9 Notwithstanding the provisions of this section or any other law,
 10 rule, or regulation to the contrary, whenever a limited purpose or
 11 all-purpose regional district is formed or enlarged, any employee
 12 not covered by statutory seniority rights shall be placed on a
 13 seniority list in accordance with the employee's years of
 14 employment in any of the constituent districts for the purposes of
 15 employment.

16

~~17 11. (New section) a. Notwithstanding any other law, rule, or
 18 regulation to the contrary, a board of education of a local school
 19 district or of a local school district constituting part of a limited
 20 purpose regional district, the ⁴board of education or ⁴governing
 21 body of a non-operating school district, or the governing body of a
 22 municipality constituting ⁴[part of]⁴ a constituent district of a
 23 limited purpose regional district, part of an all purpose regional
 24 district, or part of a consolidated school district may, by resolution,
 25 withdraw from a limited purpose or all purpose regional district or
 26 consolidated school district in order to form or enlarge a limited
 27 purpose or all purpose regional district provided that the
 28 withdrawal:~~

~~29 (1) is approved by the Commissioner of Education², in
 30 consultation with the Director of the Division of Local Government
 31 Services in the Department of Community Affairs,² as meeting the
 32 criteria set forth in paragraphs (2) through (8) of this subsection,
 33 which approval shall be obtained prior to any election held to
 34 determine whether to form or enlarge a limited purpose or all
 35 purpose regional district that the withdrawing board of education or
 36 governing body will join;~~

~~37 (2) does not², and is not foreseeably likely to,² increase or
 38 exacerbate the segregation of students ²by racial, socioeconomic,
 39 disability, or English Language Learner status as determined by the
 40 number and percentage of affected students² enrolled in the school
 41 districts seeking to consolidate or in the regional district or
 42 consolidated school district from which a school district is seeking
 43 to withdraw ²[by racial, socio-economic, disability, or English
 44 Language Learner status]²;~~

~~45 (3) consolidates school districts that are in close geographic
 46 proximity of each other. School districts need not be immediately~~

1— contiguous as long as any geographic separation is not so large as to
2— contradict the potential for improved efficiency and cost savings;
3— (4) to the maximum extent practicable, reduces student seat time
4— and transportation costs;
5— (5) possesses the potential for improved efficiency and cost
6— savings;
7— (6) possesses the potential to advance an enhanced learning
8— environment for participating school districts;
9— (7) coordinates curriculum across schools and grades throughout
10— the proposed limited purpose or all purpose regional district; and
11— (8) reflects a documented commitment from the affected boards
12— of education to make good faith efforts to implement practices that
13— promote efficiency and quality of education.

14— b. A board of education of a local school district or of a local
15— school district constituting part of a limited purpose regional
16— district, the ⁴board of education or⁴ governing body of a non-
17— operating school district, or the governing body of a municipality
18— constituting ⁴[part of]⁴ a constituent district of a limited purpose
19— regional district, part of an all purpose regional district, or part of a
20— consolidated school district that withdraws from a limited purpose
21— or all purpose regional district or consolidated school district
22— pursuant to the provisions of subsection a. of this section shall pay
23— transitional support to the limited purpose or all purpose regional
24— district ⁴or consolidated school district⁴ in which it was formerly a
25— member, less the tuition dollars paid pursuant to subsection c. of
26— this section, in an amount equal to the difference between the
27— amount to be paid to the limited purpose or all purpose regional
28— district of which the district or municipality will be a member and
29— the amount paid to the former limited purpose or all purpose
30— regional district ⁴or consolidated school district⁴ during the final
31— year in which the district or municipality had been a member
32— according to the following schedule:

33— (1) 100 percent during the first school year following
34— withdrawal;
35— (2) 80 percent during the second school year following
36— withdrawal;
37— (3) 60 percent during the third school year following
38— withdrawal;
39— (4) 40 percent during the fourth school year following
40— withdrawal; and
41— (5) 20 percent during the fifth school year following withdrawal.

42— A board of education of a local school district or of a local school
43— district constituting part of a limited purpose regional district, the
44— ⁴board of education or⁴ governing body of a non-operating school
45— district, or the governing body of a municipality ⁴[constituting
46— part]⁴ of a constituent district of a limited purpose regional district,
47— part of an all purpose regional district, or part of a consolidated

~~1 school district shall not be responsible for any further transitional
2 payments required pursuant to this subsection following the end of
3 the fifth school year following withdrawal.~~

~~4 c. A student residing in the withdrawing district ⁴[as of] ⁴on⁴
5 the date ⁴[of enactment of P.L. , c. (C.) (pending before
6 the Legislature as this bill)] the district withdraws pursuant to the
7 provisions of this section⁴ may remain in the school in which the
8 student is enrolled at the time of withdrawal on a tuition basis,
9 which tuition shall be paid by the withdrawing district.~~

10

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

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

36

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

47 b. In the event that the commissioner determines that a board of
48 education is acting in a manner inconsistent with the provisions of a

1 proposal adopted pursuant to N.J.S.18A:13-35, such board of
2 education shall submit plans to the commissioner detailing the steps
3 to be taken to address such inconsistencies.

4
5 14. (New section) a. Notwithstanding any law, rule, or
6 regulation to the contrary, when a proposal to enlarge a limited
7 purpose or all purpose regional district is submitted to the voters
8 pursuant to N.J.S.18A:13-43, and the proposal is adopted by the
9 voters pursuant to N.J.S.18A:13-44, a board of education of the
10 regional district and the board or boards of education of one or
11 more local districts determined to enlarge the regional district shall
12 proceed with the regionalization plan in accordance with the
13 provisions of the proposal. Any claim that a board of education is
14 proceeding with the regionalization plan in a manner inconsistent
15 with the provisions of the proposal shall be made directly to the
16 Commissioner of Education.

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

23
24 15. (New section) a. Notwithstanding any law, rule, or
25 regulation to the contrary, when a proposal to add to the purposes
26 for which a regional district was created is submitted to the voters
27 and adopted pursuant to N.J.S.18A:13-33, the board of education of
28 a constituent district and of the limited purpose or all purpose
29 regional district, as applicable, shall proceed with the
30 regionalization plan in accordance with the provisions of the
31 proposal. Any claim that a board of education of a constituent
32 district or the board of education of the limited purpose or all
33 purpose regional district, as applicable, is proceeding with the
34 regionalization plan in a manner inconsistent with the provisions of
35 the proposal shall be made directly to the Commissioner of
36 Education.

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

44
45 16. (New section) a. Notwithstanding the provisions of
46 N.J.S.18A:13-33 or any other law, rule, or regulation to the
47 contrary, if a proposal to add additional purposes will convert a
48 regional district from a limited purpose regional district to an all

1 purpose regional district, the proposal shall be submitted to the
2 voters of each of the constituent districts of the regional district
3 instead of at large to the voters of the regional district, and said
4 proposal to convert a limited purpose regional district to an all
5 purpose regional district ¹[may] shall¹ be considered adopted if a
6 majority of the voters in a majority of the constituent districts that
7 constitute the limited purpose regional district vote to form an all
8 purpose regional district. Notwithstanding any law, rule, or
9 regulation to the contrary, a board of education of a constituent
10 district of a limited purpose regional district that does not vote to
11 join an all purpose regional district pursuant to the provisions of
12 this subsection may continue to send such students as were enrolled
13 in the limited purpose regional district to the schools that were
14 established as part of the limited purpose regional district.
15 ¹Nothing contained herein shall be construed as prohibiting a
16 limited purpose regional district from seeking to add to the purposes
17 for which the limited purpose regional district was created pursuant
18 to the process established under N.J.S.18A:13-33.¹

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

41 (1) the amounts to be raised for annual or special appropriations
42 and the apportionment method to be used pursuant to N.J.S.18A:13-
43 34;

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

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

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

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

10

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

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

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

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

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

40

41 18. (New section) a. Notwithstanding the provisions of
42 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,
43 the boards of education proposing to form a newly created regional
44 district may by resolution frame and adopt a proposal to calculate
45 and apportion the membership of the board of education of the
46 newly created regional district according to the number of each
47 constituent districts' inhabitants, except that each constituent
48 district shall have at least one member. The calculation and method

1 of apportionment chosen pursuant to the provisions of this
2 subsection need not be approved by the commissioner or his
3 representative. If the commissioner or his representative
4 determines that it is advisable for such districts to form a newly
5 created regional district, and the question of whether or not the
6 proposal to create a regional district is submitted to the voters
7 pursuant to N.J.S.18A:13-34, and the proposal is adopted by the
8 voters pursuant to N.J.S.18A:13-35, then the members of the board
9 of education of the newly formed regional district shall be selected
10 from among the members of the boards of education of each
11 constituent district of the newly created regional district, who shall
12 serve until the election of the first elected members of the newly
13 created regional district pursuant to the provisions of subsection b.
14 of this section, in accordance with the proposal to calculate and
15 apportion the membership of the board of education adopted
16 pursuant to this subsection.

17 b. Notwithstanding any law, rule, or regulation to the contrary,
18 the first elected members of the board of education of a newly
19 created regional district shall be elected in accordance with the
20 proposal to calculate and apportion the membership of the board of
21 education adopted pursuant to subsection a. of this section at the
22 annual election to be held in the calendar year first succeeding the
23 year in which the election for the creation of the district was held.
24

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

46 b. For an enlarged regional district with a board of education
47 apportioned pursuant to this section, the board of education of the
48 new constituent district of the enlarged regional district shall, not

1 later than 30 days after the election for the enlargement thereof,
2 appoint one member of the enlarged board of education of the
3 regional district from among the members of the board of education
4 of the new constituent district, and the member so appointed shall
5 serve until the first Monday succeeding the first annual April school
6 election of the enlarged regional district. In the case of a regional
7 district in which the annual school election is in November, the
8 member so appointed shall serve until the first week in January next
9 succeeding the first annual November school election of the
10 enlarged district.

11

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

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

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

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

32 a. the portion of each municipality's equalized valuation
33 allocated to the regional district, calculated as described in the
34 definition of equalized valuation in section 3 of [P.L.1990, c.52
35 (C.18A:7D-3)] P.L.2007, c.260 (C.18A:7F-45);

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

40 c. any combination of apportionment based upon equalized
41 valuations pursuant to subsection a. of this section or pupil
42 enrollments pursuant to subsection b. of this section, and each such
43 board shall submit on the same day in each municipality in its
44 district at a special election or at the general election the question
45 whether or not the proposal shall be approved, briefly describing
46 the contents of the resolution and stating the date of its adoption
47 and they may submit also, at the special election, as part of such
48 proposal, any other provisions which may be submitted, at such a

1 special election, under the provisions of this chapter [~~but no~~] and
2 any such special election [shall be held on any day before April 15
3 or after December 1 of any calendar year] pursuant to the
4 provisions of this section shall be held pursuant to the provisions of
5 P.L.1995, c.278 (C.19:60-1 et seq.). Except as otherwise provided
6 herein, the special election shall be conducted in accordance with
7 the provisions of P.L.1995, c.278 (C.19:60-1 et al.).
8 (cf: P.L.2013, c.172, s.3)

9
10 21. N.J.S.18A:13-43 is amended to read as follows:

11 18A:13-43. If the board of education of a regional district and
12 the board or boards of education of one or more local districts, and
13 the commissioner or his representative, after consultation, study and
14 investigation, shall determine that it is advisable to enlarge the
15 regional school district so as to include said local district or districts
16 therein, the board of education of the regional district and of each
17 such local district shall by resolution frame and adopt a proposal to
18 that effect and shall submit upon the same day, in such regional
19 district and in each such local school district, at a special school
20 election held pursuant to the provisions of P.L.1995, c.278
21 (C.19:60-1 et seq.) or at an election to be held on the third Tuesday
22 in April the question whether or not said proposal shall be approved
23 briefly describing the contents of said resolution and stating the
24 date of its adoption and they may submit also at such special
25 election as part of such proposal any other provision which may be
26 submitted at such a special election under the provisions of this
27 chapter.
28 (cf: P.L.2017, c.45, s.8)

29
30 22. Section 4 of P.L.2018, c.67 (C.18A:7F-68) is amended to
31 read as follows:

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

1 11, 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-53, C.18A:7F-55,
2 C.18A:7F-56, and C.18A:7F-57), respectively.

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

- 11 (1) 13 percent in the 2019-2020 school year;
- 12 (2) 23 percent in the 2020-2021 school year;
- 13 (3) 37 percent in the 2021-2022 school year;
- 14 (4) 55 percent in the 2022-2023 school year;
- 15 (5) 76 percent in the 2023-2024 school year; and
- 16 (6) 100 percent in the 2024-2025 school year.

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

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

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

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

- 1 (1) 30 percent in the 2021-2022 school year;
2 (2) 37 percent in the 2022-2023 school year;
3 (3) 46 percent in the 2023-2024 school year;
4 (4) 55 percent in the 2024-2025 school year;
5 (5) 65.5 percent in the 2025-2026 school year;
6 (6) 76 percent in the 2026-2027 school year;
7 (7) 88 percent in the 2027-2028 school year; and
8 (8) 100 percent in the 2028-2029 school year.
- 9 A school district with a State aid differential that is positive,
10 which is a participating district under an application that is
11 approved for a grant pursuant to subsection a. of section 4 of
12 P.L. , c. (C.) (pending before the Legislature as this bill) or
13 that receives preliminary approval under subsection b. of section 4
14 of P.L. , c. (C.) (pending before the Legislature as this bill)
15 but has not created or joined a limited purpose or all purpose
16 regional school district within two years following the grant
17 application approval or preliminary approval shall not be eligible to
18 receive State aid according to the schedule enumerated in this
19 paragraph.
- 20 As used in this paragraph, "participating district" means a school
21 district whose board of education by resolution certifies a
22 commitment to participate in a feasibility study submitted as part of
23 an application under the grant program established pursuant to
24 section 2 of P.L. , c. (C.) (pending before the Legislature
25 as this bill).
- 26 (5) Notwithstanding the provisions of section 32 of P.L.1996,
27 c.138 (C.18A:7F-32) or any other law, rule, or regulation to the
28 contrary, a school district that is a regional school district created
29 following the approval of a grant application pursuant to section 4
30 of P.L. , c. (C.) (pending before the Legislature as this bill)
31 shall, from the first full school year following the creation of the
32 regional school district through the 2028-2029 school year, receive
33 State school aid in an amount that is the greater of:
- 34 (a) the amount of State school aid that the newly created
35 regional school district would receive as a regional school district;
36 or
- 37 (b) the sum of the amount of State school aid received by each
38 school district constituting the newly created regional school
39 district prior to the creation of such regional school district.
- 40 d. Any decrease in State aid pursuant to subsection b. or c. of
41 this section shall first be deducted from a school district's or county
42 vocational school district's allotment of adjustment aid. Any
43 additional reduction shall be deducted from the school district's or
44 county vocational school district's allotment of non-SFRA aids,
45 followed by equalization aid, special education categorical aid,
46 security aid, and transportation aid.

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

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

5

7 23. This act shall take effect immediately.