

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, ‘a 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 'or increases'¹ 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) ¹potential¹ 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 ¹representative¹
 13 representatives¹ of those ¹separate bargaining units of¹ employees,
 14 except that if the largest constituent district does not ¹represent
 15 that¹ 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 ²by racial, socio-economic, disability, or English
22 Language Learner status²;

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 ¹part of¹ 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.