

[Third Reprint]

**SENATE, No. 3488**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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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)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman WILLIAM W. SPEARMAN**

**District 5 (Camden and Gloucester)**

**Co-Sponsored by:**

**Senators Singleton, Oroho, Assemblywomen Murphy, Downey and  
Senator Turner**

**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 amended on December 2, 2021 by the Senate pursuant to the Governor's recommendations.

**(Sponsorship Updated As Of: 6/30/2021)**

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  
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.

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, <sup>1</sup>a municipality  
19 constituting part of a<sup>1</sup> 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 <sup>2</sup>The 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

**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:

<sup>1</sup>Senate SBA committee amendments adopted March 22, 2021.

<sup>2</sup>Assembly AAP committee amendments adopted June 16, 2021.

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

1 program.<sup>2</sup> In addition to funds being made available to boards of  
2 education and governing bodies seeking to conduct feasibility  
3 studies after the date of enactment of P.L. , c. (C. )  
4 (pending before the Legislature as this bill), funds under the grant  
5 program shall be made available to:

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

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

15

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

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

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

42 (a) facility utilization;

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

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

1 (1) does not<sup>2</sup>, and is not foreseeably likely to,<sup>2</sup> increase or  
2 exacerbate the segregation of students <sup>2</sup>by racial, socioeconomic,  
3 disability, or English Language Learner status as determined by the  
4 number and percentage of students<sup>2</sup> 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 <sup>2</sup>[by racial, socio-  
7 economic, disability, or English Language Learner status]<sup>2</sup>;

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

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

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

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

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

20 (7) reflects a documented commitment from the participating  
21 districts to make good faith efforts to implement the  
22 recommendations of the feasibility study that promote efficiency  
23 and quality of education.

24 c. The Commissioner of Education shall review every  
25 application submitted pursuant to this section, except for an  
26 application eligible for preliminary approval pursuant to subsection  
27 b. of section 4 of P.L. , c. (C. ) (pending before the  
28 Legislature as this bill), and shall certify, in writing, that the newly  
29 formed or enlarged regional district will not<sup>2</sup>, and will not be  
30 foreseeably likely to,<sup>2</sup> increase or exacerbate segregation among the  
31 districts seeking to regionalize or, as applicable, the <sup>1</sup>[schools]  
32 school<sup>1</sup> districts from which a school district is seeking to withdraw  
33 <sup>2</sup>and school districts in the surrounding region as determined by the  
34 number and percentage of students affected by such consolidations  
35 or withdrawals<sup>2</sup>.

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 <sup>1</sup>**["provided"]** 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-  
27 1 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 <sup>1</sup>**["the"]** each<sup>1</sup> majority representative of the  
32 <sup>1</sup>**["classification of employees"]** existing bargaining units<sup>1</sup> in the  
33 largest constituent district as the majority <sup>1</sup>**["representative"]**  
34 representatives<sup>1</sup> of those <sup>1</sup>separate bargaining units of<sup>1</sup> employees,  
35 except that if the largest constituent district does not <sup>1</sup>**["represent**  
36 **that"]** have a majority representative currently representing a<sup>1</sup>  
37 classification of employees, then the majority representative of the  
38 next largest constituent district that represents <sup>1</sup>a bargaining unit  
39 representing<sup>1</sup> 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. <sup>1</sup>Notwithstanding 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.<sup>1</sup> 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 <sup>1</sup>[4] <sup>3</sup> 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 in  
34 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; <sup>2</sup>**[and]**<sup>2</sup>

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

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;<sup>2</sup>

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 <sup>1</sup>board of education or<sup>1</sup> governing  
21 body of a non-operating school district, or the governing body of a  
22 municipality constituting <sup>1</sup>part of<sup>1</sup> 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 Education<sup>2</sup>, in  
30 consultation with the Director of the Division of Local Government  
31 Services in the Department of Community Affairs,<sup>2</sup> 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 not<sup>2</sup>, and is not foreseeably likely to,<sup>2</sup> increase or  
38 exacerbate the segregation of students <sup>2</sup>by racial, socioeconomic,  
39 disability, or English Language Learner status as determined by the  
40 number and percentage of affected students<sup>2</sup> 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 <sup>2</sup>by racial, socio-economic, disability, or English  
44 Language Learner status<sup>2</sup>;

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 'board of education or' governing body of a non-  
17 operating school district, or the governing body of a municipality  
18 constituting '[part of]' 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 'or consolidated school district' 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 'or consolidated school district' 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 'board of education or' governing body of a non-operating school  
45 district, or the governing body of a municipality '[constituting  
46 part]' 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 <sup>1</sup>【as of】 on<sup>1</sup>  
5 the date <sup>1</sup>【of enactment of P.L. , c. (C. ) (pending before  
6 the Legislature as this bill)】 the district withdrawals pursuant to the  
7 provisions of this section<sup>1</sup> 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<sup>1</sup> any other<sup>1</sup> 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 <sup>1</sup>~~may~~ shall<sup>1</sup> 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 <sup>1</sup>Nothing 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.<sup>1</sup>

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 <sup>3</sup>~~the~~  
39 ~~following matters~~ any matter<sup>3</sup> before the all purpose regional  
40 board of education<sup>3</sup>:

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 **】** on which a member of  
10 the board of education of a sending district is eligible to vote on  
11 before a receiving board of education as provided in section 1 of  
12 P.L.1995, c.8 (C.18A:38-8.1)<sup>3</sup>.

13

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

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

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

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

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

43

44 18. (New section) a. Notwithstanding the provisions of  
45 N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary,  
46 the boards of education proposing to form a newly created regional  
47 district may by resolution frame and adopt a proposal to calculate  
48 and apportion the membership of the board of education of the

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

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

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



1       b. For an enlarged regional district with a board of education  
2 apporportioned pursuant to this section, the board of education of the  
3 new constituent district of the enlarged regional district shall, not  
4 later than 30 days after the election for the enlargement thereof,  
5 appoint one member of the enlarged board of education of the  
6 regional district from among the members of the board of education  
7 of the new constituent district, and the member so appointed shall  
8 serve until the first Monday succeeding the first annual April school  
9 election of the enlarged regional district. In the case of a regional  
10 district in which the annual school election is in November, the  
11 member so appointed shall serve until the first week in January next  
12 succeeding the first annual November school election of the  
13 enlarged district.

14

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

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

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

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

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

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

43       c. any combination of apportionment based upon equalized  
44 valuations pursuant to subsection a. of this section or pupil  
45 enrollments pursuant to subsection b. of this section, and each such  
46 board shall submit on the same day in each municipality in its  
47 district at a special election or at the general election the question  
48 whether or not the proposal shall be approved, briefly describing

1 the contents of the resolution and stating the date of its adoption  
2 and they may submit also, at the special election, as part of such  
3 proposal, any other provisions which may be submitted, at such a  
4 special election, under the provisions of this chapter **【but no】** and  
5 any such special election 【shall be held on any day before April 15  
6 or after December 1 of any calendar year】 pursuant to the  
7 provisions of this section shall be held pursuant to the provisions of  
8 P.L.1995, c.278 (C.19:60-1 et seq.). Except as otherwise provided  
9 herein, the special election shall be conducted in accordance with  
10 the provisions of P.L.1995, c.278 (C.19:60-1 et al.).  
11 (cf: P.L.2013, c.172, s.3)

12  
13 21. N.J.S.18A:13-43 is amended to read as follows:

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

32  
33 22. Section 4 of P.L.2018, c.67 (C.18A:7F-68) is amended to  
34 read as follows:

35 4. a. Notwithstanding the provisions of P.L.2007, c.260  
36 (C.18A:7F-43 et al.) or any other law to the contrary, in the 2019-  
37 2020 through 2024-2025 school years, a school district or county  
38 vocational school district in which the State aid differential  
39 calculated is negative shall receive State school aid in an amount  
40 equal to the sum of the district's State aid in the prior school year  
41 plus the district's proportionate share of the sum of any increase in  
42 State aid included in the annual appropriations act for that fiscal  
43 year and the total State aid reduction pursuant to subsection b. of  
44 this section based on the district's State aid differential as a percent  
45 of the Statewide total State aid differential among all school  
46 districts and county vocational school districts for which the State  
47 aid differential is negative. Any increase in State aid pursuant to  
48 this subsection shall first be allocated to equalization aid, followed

1 by special education categorical aid, security categorical aid, and  
2 transportation aid, except that no category shall exceed the total  
3 amount as calculated in accordance with the provisions of sections  
4 11, 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-53, C.18A:7F-55,  
5 C.18A:7F-56, and C.18A:7F-57), respectively.

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

- 14 (1) 13 percent in the 2019-2020 school year;
- 15 (2) 23 percent in the 2020-2021 school year;
- 16 (3) 37 percent in the 2021-2022 school year;
- 17 (4) 55 percent in the 2022-2023 school year;
- 18 (5) 76 percent in the 2023-2024 school year; and
- 19 (6) 100 percent in the 2024-2025 school year.

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

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

35 (3) A school district, other than an SDA district, that is located  
36 in a municipality in which the equalized total tax rate is at least 10  
37 percent greater than the Statewide average equalized total tax rate  
38 for the most recent available calendar year and is spending at least  
39 10 percent below adequacy as calculated pursuant to section 1 of  
40 P.L.2018, c.67 (C.18A:7F-70) shall not be subject to a reduction in  
41 State aid pursuant to subsection b. of this section.

42 (4) A school district that is a participating district under an  
43 application that is approved for a grant pursuant to subsection a. of  
44 section 4 of P.L. , c. (C. ) (pending before the Legislature  
45 as this bill) or a school district that is a participating district under  
46 an application that receives preliminary approval pursuant to  
47 subsection b. of section 4 of P.L. , c. (C. ) (pending before  
48 the Legislature as this bill) and that has a State aid differential that

1 is positive may elect to receive State school aid in an amount equal  
2 to the district's State aid in the prior school year minus a percent of  
3 the State aid differential according to the following schedule:

- 4 (1) 30 percent in the 2021-2022 school year;
- 5 (2) 37 percent in the 2022-2023 school year;
- 6 (3) 46 percent in the 2023-2024 school year;
- 7 (4) 55 percent in the 2024-2025 school year;
- 8 (5) 65.5 percent in the 2025-2026 school year;
- 9 (6) 76 percent in the 2026-2027 school year;
- 10 (7) 88 percent in the 2027-2028 school year; and
- 11 (8) 100 percent in the 2028-2029 school year.

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

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

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

37 (a) the amount of State school aid that the newly created  
38 regional school district would receive as a regional school district;  
39 or

40 (b) the sum of the amount of State school aid received by each  
41 school district constituting the newly created regional school  
42 district prior to the creation of such regional school district.

43 d. Any decrease in State aid pursuant to subsection b. or c. of  
44 this section shall first be deducted from a school district's or county  
45 vocational school district's allotment of adjustment aid. Any  
46 additional reduction shall be deducted from the school district's or  
47 county vocational school district's allotment of non-SFRA aids,

1 followed by equalization aid, special education categorical aid,  
2 security aid, and transportation aid.

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

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

7

8 23. This act shall take effect immediately.