

CHAPTER 402

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

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

C.18A:13-47.1 Definitions.

1. As used in sections 2 through 8 of P.L.2021, c.402 (C.18A:13-47.2 through C.18A:13-47.8):

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

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

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

“Participating district” means a school district whose board of education or governing body, as applicable, by resolution certifies a commitment to participate in a feasibility study submitted as part of an application under the grant program established pursuant to section 2 of P.L.2021, c.402 (C.18A:13-47.2).

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

C.18A:13-47.2 Grant program established.

2. The Division of Local Government Services in the Department of Community Affairs shall establish a grant program, within the limit of funds appropriated or otherwise made available for the program, the purpose of which shall be to provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. The division shall retain one percent of funds appropriated or otherwise made available for the program for the purpose of offsetting the expenses related to the administration of the program. In addition to funds being made available to boards of education and governing bodies seeking to conduct feasibility studies after the date of enactment of P.L.2021, c.402 (C.18A:13-47.1 et al.), funds under the grant program shall be made available to:

a. the boards of education or governing bodies of two or more school districts which have conducted within two years prior to the enactment of P.L.2021, c.402 (C.18A:13-47.1 et al.) a feasibility study for which no prior reimbursement was made; and

b. the boards of education or governing bodies of two or more school districts that are in the process of conducting a feasibility study as of the date of enactment of P.L.2021, c.402 (C.18A:13-47.1 et al.).

C.18A:13-47.3 Application to grant program; criteria, feasibility study.

3. a. The boards of education or governing bodies of two or more school districts seeking to form a limited purpose or all purpose regional district and that wish to apply for funding under the grant program established pursuant to section 2 of P.L.2021, c.402 (C.18A:13-47.2) shall jointly submit an application to the division. The application shall identify and designate

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

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

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

(a) facility utilization;

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

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

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

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

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

(g) State aid and tax revenue projections;

(h) potential cost savings or increases from regionalization;

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

(j) kindergarten through 12 curriculum coordination improvements;

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

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

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

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

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

(6) a plan to incorporate public and stakeholder participation and ideas in the regionalization study process, which shall include school board members, parents, teachers,

administrators, non-instructional staff, union representatives, municipal officials, and interested citizens; and

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

b. In order to be eligible to receive a grant under the grant program established pursuant to section 2 of P.L.2021, c.402 (C.18A:13-47.2), the boards of education or governing bodies shall demonstrate that the proposed regionalization:

(1) does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of students enrolled in the school districts seeking to consolidate or, as applicable, in the school districts from which a school district is seeking to withdraw;

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

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

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

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

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

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

c. The Commissioner of Education shall review every application submitted pursuant to this section, except for an application eligible for preliminary approval pursuant to subsection b. of section 4 of P.L.2021, c.402 (C.18A:13-47.4), and shall certify, in writing, that the newly formed or enlarged regional district will not, and will not be foreseeably likely to, increase or exacerbate segregation among the districts seeking to regionalize or, as applicable, the school districts from which a school district is seeking to withdraw and school districts in the surrounding region as determined by the number and percentage of students affected by such consolidations or withdrawals.

C.18A:13-47.4 Application review; feasibility study reimbursement.

4. a. The division shall review all applications submitted pursuant to section 3 of P.L.2021, c.402 (C.18A:13-47.3) and shall only approve applications that meet the eligibility criteria set forth in subsection b. of section 3 of P.L.2021, c.402 (C.18A:13-47.3) and that are certified by the commissioner pursuant to subsection c. of section 3 of P.L.2021, c.402 (C.18A:13-47.3). Boards of education or governing bodies whose applications are denied approval for a grant shall be provided a notice describing the reasons for the denial and the applicant shall be afforded an opportunity for a hearing before an administrative law judge to contest the decision, which shall conform with the provisions applicable to such contested cases in this State as set forth in statute and regulation.

b. The division may grant preliminary approval of an application submitted by the boards of education or governing bodies of two or more school districts pursuant to section 3 of P.L.2021, c.402 (C.18A:13-47.3) if the division determines that the application contains

sufficient evidence to demonstrate that the proposed regionalization complies with the criteria enumerated in subsection b. of section 3 of P.L.2021, c.402 (C.18A:13-47.3) and is proposing to:

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

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

c. Boards of education or governing bodies receiving application approval pursuant to this section shall be reimbursed for any eligible costs of the feasibility study up to an amount or percentage to be annually determined by the division, with 50 percent of the grant award to be distributed upon the division's final approval of the grant application and the remaining 50 percent of the grant award to be distributed upon the division's acceptance of the completed feasibility study. Boards of education or governing bodies receiving application approval pursuant to subsection a. of this section, which have conducted within two years prior to the enactment of P.L.2021, c.402 (C.18A:13-47.1 et al.) a feasibility study for which no prior reimbursement was made, shall be eligible for reimbursement up to an amount or percentage to be determined by the division of any costs associated with conducting the study upon execution of the regionalization outlined in the boards' or governing bodies' application. The division shall also annually determine the costs that are eligible and ineligible for reimbursement under this section.

C.18A:13-47.5 Regional district formation, conditions.

5. a. Notwithstanding the provisions of section 2 of P.L.1995, c.294 (C.18A:6-31.4) or of any other law, rule, or regulation to the contrary, whenever a regional district is formed following the approval of an application pursuant to section 4 of P.L.2021, c.402 (C.18A:13-47.4):

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

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

b. Notwithstanding the provisions of the “New Jersey Employer-Employee Relations Act,” P.L.1941, c.100 (C.34:13A-1 et seq.) or of any other law, rule, or regulation to the contrary, whenever a regional district is formed following the approval of an application pursuant to section 4 of P.L.2021, c.402 (C.18A:13-47.4), the newly formed regional district shall recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees shall be recognized by the newly formed regional district as the majority representative of that classification of employees.

c. Notwithstanding any law, rule, or regulation to the contrary, beginning on the date upon which a school district submits an application pursuant to section 3 of P.L.2021, c.402 (C.18A:13-47.3), the boards of education or governing bodies of any affected, constituent, replaced, displaced, or dissolved districts shall not enter into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly formed or existing limited purpose or all purpose regional district commences operations following the completion of the dissolution, displacement, merger, regionalization, or consolidation of the constituent districts at which time the provisions of P.L.2020, c.79 (C.34:13A-44 et seq.) shall control.

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

C.18A:13-47.6 Reimbursement, election costs; criteria.

6. The Department of Education shall reimburse participating districts for any costs incurred to hold an election to establish or enlarge a limited purpose or all purpose regional district provided that the decision to establish or enlarge a limited purpose or all purpose regional district stems from the completion of a feasibility study conducted in connection with the grant program established pursuant to section 2 of P.L.2021, c.402 (C.18A:13-47.2).

C.18A:13-47.7 Receipt of grant award application, notice.

7. The Division of Local Government Services in the Department of Community Affairs shall provide notice to the Senate President, the Speaker of the General Assembly, the Minority Leader of the Senate, and the Minority Leader of the General Assembly upon the division’s receipt of an application for a grant award submitted pursuant to section 3 of P.L.2021, c.402 (C.18A:13-47.3). The notice shall be provided within 15 days of the division’s receipt of the application and shall include information identifying each applicant seeking a grant award.

C.18A:13-47.8 Grant program implementation report, content.

8. The Division of Local Government Services in the Department of Community Affairs, in consultation with the Department of Education, shall submit a report on the implementation of the grant program established pursuant to section 2 of P.L.2021, c.402 (C.18A:13-47.2) to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) within one year following the date of enactment of P.L.2021, c.402 (C.18A:13-47.1 et al.) and annually thereafter. The report shall include, but not be limited to:

- a. an analysis of the grant program identifying:
 - (1) the boards of education or governing bodies that applied for a grant;
 - (2) the boards of education or governing bodies that were awarded a grant;

- (3) the amount of each grant awarded;
- (4) the availability of any funds remaining under the grant program;
- (5) the reasoning behind the denial of any grant application; and
- (6) an analysis of the effects of consolidations or withdrawals, or both, on the opportunities for students to attend schools that are integrated by race, socioeconomic, disability, and English Language Learner status;
 - b. a description of the experience of the boards of education or governing bodies that applied and were approved for grant funding, including the status and analysis of any feasibility studies conducted with grant funding;
 - c. information on whether any grant recipients completed regionalization;
 - d. an analysis of any legal, financial, educational, or other factors that either facilitated or impeded the expansion or creation of a regional district by participating districts including, but not limited to, recommendations to existing State laws or regulations that would remove impediments to regionalization; and
 - e. recommendations as to the feasibility and advisability of expanding the grant program.

C.18A:13-47.9 Expiring employment salary guide and terms and conditions.

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

- a. elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or
- b. elect to adopt the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district.

C.18A:13-47.10 Tenure, seniority rights recognized, preserved.

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

C.18A:13-47.11 Withdrawal from local district to form, enlarge regional district; conditions.

11. a. Notwithstanding any other law, rule, or regulation to the contrary, a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district may, by resolution, withdraw from a limited purpose or all purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all purpose regional district provided that the withdrawal:

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

(2) does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of affected students enrolled in the school districts seeking to consolidate or in the regional district or consolidated school district from which a school district is seeking to withdraw;

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

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

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

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

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

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

b. A board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district that withdraws from a limited purpose or all purpose regional district or consolidated school district pursuant to the provisions of subsection a. of this section shall pay transitional support to the limited purpose or all purpose regional district or consolidated school district in which it was formerly a member, less the tuition dollars paid pursuant to subsection c. of this section, in an amount equal to the difference between the amount to be paid to the limited purpose or all purpose regional district of which the district or municipality will be a member and the amount paid to the former limited purpose or all purpose regional district or consolidated school district during the final year in which the district or municipality had been a member according to the following schedule:

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

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

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

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

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

A board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality of a constituent district of a limited purpose regional district, part of an all purpose regional district, or part of a consolidated school district shall not be responsible for any further transitional payments required pursuant to this subsection following the end of the fifth school year following withdrawal.

c. A student residing in the withdrawing district on the date the district withdraws pursuant to the provisions of this section may remain in the school in which the student is enrolled at the time of withdrawal on a tuition basis, which tuition shall be paid by the withdrawing district.

C.18A:13-34.3 Phase-in payment schedule; transitional methodology.

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

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

C.18A:13-35.1 Proposal to form regional district adopted by voters; duties of affected board of education.

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

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

C.18A:13-44.1 Proposal to enlarge regional district adopted by voters; duties of affected board, boards of education.

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

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

C.18A:13-33.1 Proposal to increase purposes of regional district adopted by voters; duties of affected board of education.

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

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

C.18A:13-33.2 Limited purpose to all purpose regional district, vote.

16. a. Notwithstanding the provisions of N.J.S.18A:13-33 or any other law, rule, or regulation to the contrary, if a proposal to add additional purposes will convert a regional district from a limited purpose regional district to an all purpose regional district, the proposal shall be submitted to the voters of each of the constituent districts of the regional district instead of at large to the voters of the regional district, and said proposal to convert a limited purpose regional district to an all purpose regional district shall be considered adopted if a majority of the voters in a majority of the constituent districts that constitute the limited purpose regional district vote to form an all purpose regional district. Notwithstanding any law, rule, or regulation to the contrary, a board of education of a constituent district of a limited purpose regional district that does not vote to join an all purpose regional district pursuant to the provisions of this subsection may continue to send such students as were enrolled in the limited purpose regional district to the schools that were established as part of the limited purpose regional district. Nothing contained herein shall be construed as prohibiting a limited purpose regional district from seeking to add to the purposes for which the limited purpose regional district was created pursuant to the process established under N.J.S.18A:13-33.

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

regional district shall calculate and apportion the membership of the board of education of the newly formed all purpose regional district upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited purpose regional district, including any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district pursuant to subsection a. of this section. However, each constituent district, including any district that does not vote to join the all purpose regional district and continues to send students to the schools of the limited purpose regional district pursuant to subsection a. of this section, shall have at least one member. A constituent district that does not vote to join the all purpose regional district but retains membership on the board of education of the newly formed all purpose regional district pursuant to the provisions of this subsection shall be eligible to vote on any matter before the all purpose regional board of education on which a member of the board of education of a sending district is eligible to vote on before a receiving board of education as provided in section 1 of P.L.1995, c.8 (C.18A:38-8.1).

C.18A:13-33.3 Proposal to calculate, apportion board membership; limited purpose to all purpose regional district.

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

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

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

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

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

C.18A:13-34b Proposal to calculate, apportion board membership; newly created regional district.

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

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

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

C.18A:13-46.2 Proposal to calculate, apportion board membership; enlarged regional district.

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

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

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

Creation of regional school district, apportionment of appropriations.

18A:13-34. If the boards of education of two or more local districts, or the board of education of a consolidated district, or of a district comprising two or more municipalities, and

the commissioner or his representative, after consultation, study and investigation, shall determine, that it is advisable for such districts to join and create, or for such district to become

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

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

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

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

c. any combination of apportionment based upon equalized valuations pursuant to subsection a. of this section or pupil enrollments pursuant to subsection b. of this section, and each such board shall submit on the same day in each municipality in its district at a special election or at the general election the question whether or not the proposal shall be approved, briefly describing the contents of the resolution and stating the date of its adoption and they may submit also, at the special election, as part of such proposal, any other provisions which may be submitted, at such a special election, under the provisions of this chapter and any such special election pursuant to the provisions of this section shall be held pursuant to the provisions of P.L.1995, c.278 (C.19:60-1 et seq.). Except as otherwise provided herein, the special election shall be conducted in accordance with the provisions of P.L.1995, c.278 (C.19:60-1 et al.).

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

Enlargement of district; special election.

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

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

C.18A:7F-68 Amount of State aid for certain districts.

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

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

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

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

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

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

(4) A school district that is a participating district under an application that is approved for a grant pursuant to subsection a. of section 4 of P.L.2021, c.402 (C.18A:13-47.4) or a school district that is a participating district under an application that receives preliminary approval pursuant to subsection b. of section 4 of P.L.2021, c.402 (C.18A:13-47.4) and that has a State aid differential that is positive may elect to receive State school aid in an amount equal to the

district's State aid in the prior school year minus a percent of the State aid differential according to the following schedule:

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

A school district with a State aid differential that is positive, which is a participating district under an application that is approved for a grant pursuant to subsection a. of section 4 of P.L.2021, c.402 (C.18A:13-47.4) or that receives preliminary approval under subsection b. of section 4 of P.L.2021, c.402 (C.18A:13-47.4) but has not created or joined a limited purpose or all purpose regional school district within two years following the grant application approval or preliminary approval shall not be eligible to receive State aid according to the schedule enumerated in this paragraph.

As used in this paragraph, "participating district" means a school district whose board of education by resolution certifies a commitment to participate in a feasibility study submitted as part of an application under the grant program established pursuant to section 2 of P.L.2021, c.402 (C.18A:13-47.2).

(5) Notwithstanding the provisions of section 32 of P.L.1996, c.138 (C.18A:7F-32) or any other law, rule, or regulation to the contrary, a school district that is a regional school district created following the approval of a grant application pursuant to section 4 of P.L.2021, c.402 (C.18A:13-47.4) shall, from the first full school year following the creation of the regional school district through the 2028-2029 school year, receive State school aid in an amount that is the greater of:

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

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

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

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

23. This act shall take effect immediately.

Approved January 18, 2022.