

[First Reprint]

ASSEMBLY, No. 5308

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 13, 2025

Sponsored by:

Assemblywoman MARGIE DONLON, M.D.

District 11 (Monmouth)

Assemblywoman LUANNE M. PETERPAUL

District 11 (Monmouth)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Senator VIN GOPAL

District 11 (Monmouth)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

**Assemblyman Marengo, Assemblywomen Reynolds-Jackson, McCoy,
Assemblyman Venezia, Senators Johnson, Stack and Wimberly**

SYNOPSIS

Requires Director of Division of Local Government Services in DCA to establish grant program to enhance local government efficiency; appropriates \$1.5 million.

CURRENT VERSION OF TEXT

As amended on January 12, 2026 by the General Assembly pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 1/12/2026)

1 AN ACT establishing a grant program to promote local government
2 efficiency, supplementing chapter 27D of Title 52 of the Revised
3 Statutes, and making an appropriation.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "Local government unit" means a municipality, county, or other
11 political subdivision of the State, or any agency, board,
12 commission, utilities authority or other authority, or other entity
13 thereof.

14 "Management enhancement review consultant" means an
15 individual or firm that has a demonstrated track record of
16 successfully completed operational reviews and assessments.

17
18 2. a. The Director of the Division of Local Government
19 Services in the Department of Community Affairs shall establish a
20 local government unit management enhancement review grant
21 program. The purpose of the program shall be to provide grants to
22 local government units to contract with management enhancement
23 review consultants to conduct local government unit efficiency
24 reviews and to make recommendations to streamline operations and
25 reduce costs. An individual management enhancement review
26 consultant, or at least one member of the management enhancement
27 review consultant team, that is contracted to complete a review
28 pursuant to the program shall hold a professional license with the
29 State of New Jersey as a certified municipal finance officer,
30 qualified purchasing agent, certified public works manager,
31 certified municipal clerk, certified tax collector, or another
32 professional certification approved by the Director of the Division
33 of Local Government Services in the Department of Community
34 Affairs.

35 b. To participate in the grant program established pursuant to
36 subsection a. of this section, a local government unit shall submit an
37 application to the division in a manner and on such forms as
38 determined by the director. An application submitted pursuant to
39 this subsection shall include information detailing the local
40 government unit's proposed plans for the grant funding, including,
41 but not limited to:

42 (1) the amount of grant funding being sought by the local
43 government unit;

44 (2) a description of how the grant funding will be used to
45 conduct an efficiency review, including, but not be limited to, plans

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:

¹Assembly amendments adopted in accordance with Governor's
recommendations January 12, 2026.

1 to identify opportunities for shared services, identify cost savings
2 through operating efficiencies, or improve the delivery of services;
3 and

4 (3) the proposed sources of matching funding to be used by the
5 local government unit to conduct the efficiency review, pursuant to
6 subsection c. of this section.

7 c. (1) After reviewing the applications submitted pursuant to
8 subsection b. of this section, the director shall select local
9 government units to receive a management enhancement review
10 grant. In selecting grant recipients, the director shall consider
11 factors including, but not limited to: the local government unit's
12 contribution to the management enhancement review; and the cost
13 effectiveness of any specifically-identified opportunities for shared
14 services, cost savings through operating efficiencies, or
15 improvements to the delivery of services.

16 (2) The maximum grant award under the program shall be
17 \$150,000 for a county-based local government unit and \$100,000
18 for a municipal-based local government unit. A local government
19 unit that receives a grant under the program shall contribute 25
20 percent of the grant award amount to the management enhancement
21 review.

22

23 3. a. Within one year of receiving a grant pursuant to section 2
24 of P.L. , c. (C.) (pending before the Legislature as this
25 bill), each participating local government unit shall submit a report
26 to the Director of the Division of Local Government Services in the
27 Department of Community Affairs, in a manner and on such forms
28 as determined by the director, detailing:

29 (1) the expenditures of the grant funds under the program;

30 (2) the specific shared services, operating efficiencies, or
31 improved delivery of services achieved as a result of the
32 management enhancement review; and

33 (3) the specific cost savings achieved as a result of the shared
34 services, operating efficiencies, or improved delivery of services
35 pursuant to paragraph (2) of this subsection.

36 b. The director shall compile the reports submitted pursuant to
37 subsection a. of this section for inclusion in a comparative profile of
38 the participating local government units and shall post the profile
39 for public inspection on the division's Internet website in an easily
40 accessible location.

41 c. Within one year of posting the comparative profile required
42 pursuant to subsection b. of this section, the director shall submit a
43 report to the Governor and, pursuant to section 2 of P.L.1991, c.164
44 (C.52:14-19.1), to the Legislature. The report shall contain
45 information on the implementation of the grant program, including,
46 but not limited to: the total number of applications received under
47 the program; the total number of applications which were awarded
48 grants, including the amounts of those grant awards; and a list of

1 best practices concerning the streamlining of operations and
2 reduction of costs for achieving local government unit efficiency.
3 The director shall post the report required pursuant to this
4 subsection for public inspection on the division's Internet website
5 in an easily accessible location.

6
7 4. There is appropriated from the General Fund to the Division
8 of Local Government Services in the Department of Community
9 Affairs, the sum of \$1,500,000 to provide grants to local
10 government units to effectuate the purposes of P.L. , c. (C.)
11 (pending before the Legislature as this bill). ¹Any funds
12 appropriated pursuant to this act that are unawarded or unobligated
13 as of June 1, 2026, shall be reallocated to Local Efficiency
14 Achievement Program (LEAP) of the Department of Community
15 Affairs and shall be used to effectuate the purposes of LEAP in
16 accordance with applicable law.¹

17
18 5. This act shall take effect immediately.