

P.L. 2025, CHAPTER 377, *approved January 20, 2026*
Assembly, No. 5308 (*First Reprint*)

- 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

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 application to the division in a manner and on such forms as
2 determined by the director. An application submitted pursuant to
3 this subsection shall include information detailing the local
4 government unit's proposed plans for the grant funding, including,
5 but not limited to:

6 (1) the amount of grant funding being sought by the local
7 government unit;

8 (2) a description of how the grant funding will be used to
9 conduct an efficiency review, including, but not be limited to, plans
10 to identify opportunities for shared services, identify cost savings
11 through operating efficiencies, or improve the delivery of services;
12 and

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

16 c. (1) After reviewing the applications submitted pursuant to
17 subsection b. of this section, the director shall select local
18 government units to receive a management enhancement review
19 grant. In selecting grant recipients, the director shall consider
20 factors including, but not limited to: the local government unit's
21 contribution to the management enhancement review; and the cost
22 effectiveness of any specifically-identified opportunities for shared
23 services, cost savings through operating efficiencies, or
24 improvements to the delivery of services.

25 (2) The maximum grant award under the program shall be
26 \$150,000 for a county-based local government unit and \$100,000
27 for a municipal-based local government unit. A local government
28 unit that receives a grant under the program shall contribute 25
29 percent of the grant award amount to the management enhancement
30 review.

31
32 3. a. Within one year of receiving a grant pursuant to section 2
33 of P.L. , c. (C.) (pending before the Legislature as this
34 bill), each participating local government unit shall submit a report
35 to the Director of the Division of Local Government Services in the
36 Department of Community Affairs, in a manner and on such forms
37 as determined by the director, detailing:

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

39 (2) the specific shared services, operating efficiencies, or
40 improved delivery of services achieved as a result of the
41 management enhancement review; and

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

45 b. The director shall compile the reports submitted pursuant to
46 subsection a. of this section for inclusion in a comparative profile of
47 the participating local government units and shall post the profile

1 for public inspection on the division's Internet website in an easily
2 accessible location.

3 c. Within one year of posting the comparative profile required
4 pursuant to subsection b. of this section, the director shall submit a
5 report to the Governor and, pursuant to section 2 of P.L.1991, c.164
6 (C.52:14-19.1), to the Legislature. The report shall contain
7 information on the implementation of the grant program, including,
8 but not limited to: the total number of applications received under
9 the program; the total number of applications which were awarded
10 grants, including the amounts of those grant awards; and a list of
11 best practices concerning the streamlining of operations and
12 reduction of costs for achieving local government unit efficiency.
13 The director shall post the report required pursuant to this
14 subsection for public inspection on the division's Internet website
15 in an easily accessible location.

16
17 4. There is appropriated from the General Fund to the Division
18 of Local Government Services in the Department of Community
19 Affairs, the sum of \$1,500,000 to provide grants to local
20 government units to effectuate the purposes of P.L. , c. (C.)
21 (pending before the Legislature as this bill). ¹Any funds
22 appropriated pursuant to this act that are unawarded or unobligated
23 as of June 1, 2026, shall be reallocated to Local Efficiency
24 Achievement Program (LEAP) of the Department of Community
25 Affairs and shall be used to effectuate the purposes of LEAP in
26 accordance with applicable law.¹

27
28 5. This act shall take effect immediately.
29
30
31

32
33 _____
34 Requires Director of Division of Local Government Services in
35 DCA to establish grant program to enhance local government
efficiency; appropriates \$1.5 million.