

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4141

STATE OF NEW JERSEY

DATED: JUNE 22, 2009

The Assembly Education Committee reports favorably Assembly Bill No. 4141.

Pursuant to N.J.S.18A:7-8 the executive county superintendent of schools has the authority to eliminate districts that are not operating schools. This bill clarifies the procedure under which these non-operating districts will be eliminated and merged into existing school districts.

The bill provides that the executive county superintendent will merge non-operating districts with the district with which they participate in a sending-receiving relationship, except in certain circumstances. In the case of non-operating districts that are in a sending-receiving relationship with more than one district or are in a sending-receiving relationship with a district that is in need of improvement pursuant to the "No Child Left Behind Act of 2001," then the executive county superintendent will make a determination as to which district the non-operating district will be merged based on the district that is able to accommodate the merger with the least disruption to its finances and educational operations.

In a new district that is formed after a merger, the annual appropriations, excluding amounts to be raised for interest upon and redemption of bonds, will be apportioned among the constituent districts of the new district in the first year of the merger in such manner as the Commissioner of Education determines to be the least fiscally disruptive. Following that first year the apportionment methodology will be determined in accordance with the statutes governing the apportionment of costs in regional school districts, however the commissioner may allow a five-year phase-in of the apportionment methodology. In the case of the amounts that need to be raised for interest upon and the redemption of bonds for bonds issued prior to or after the bill's effective date, those amounts shall be apportioned among the constituent districts of the new district in the manner that the commissioner determines to be the least fiscally disruptive. The commissioner may allow for a five-year phase-in of this apportionment methodology.

Under the bill's provisions, State school aid in the new district will be calculated as if the former non-operating district and the district with which it was merged continue as two separate school districts.

If a non-operating district is merged with a Type II school district without a board of school estimate, the board of education of the new district will initially consist of the members of the board of the district with which the non-operating district was merged, who will serve until the expiration of the respective terms for which they were elected; and, in addition, a representative of the board of the former non-operating district, who will serve in a temporary position that will be in existence only until the first annual school election in which the first at-large member is elected to the board. At that first election, and every election following, any vacant positions on the board will be filled by members elected at-large by the voters in the new district.

If a non-operating district is merged with a Type I district, the new district will have a board of education with the same number of members as the board of education of the district with which the non-operating district has been merged plus one additional member. The additional member will be appointed by the mayor or other chief executive officer of the municipality of the former non-operating district.

If the non-operating district is merged with a regional district, the former non-operating district will be treated as a constituent district of the regional district and the membership of the board will be in accordance with the regional school district statutes on board membership.

If nonpublic school pupils residing in a municipality that comprises the new district were not eligible for pupil transportation services prior to effective date of this bill, then any nonpublic school pupil residing in that municipality after the merger will also be ineligible for pupil transportation services.

The bill includes provisions for the transfer of any cash balances after the liquidation of the non-operating district's assets to the municipal governing body of the municipality in which the former non-operating district is located. The municipality would also take title and control of all school grounds and buildings, unless the deed on the school grounds and buildings directs otherwise, and the furnishings and equipment therein, situated in the municipality. The books, documents, and records of the non-operating district would be turned over to the board of education of the new district.

Unless otherwise provided for in the bill, the new district will be governed by the provisions of law applicable to regional school districts.