



School Regionalization Efficiency Program (SREP)

Grant Program Guidelines

Fiscal Year 2026

**State of New Jersey
Phil Murphy, Governor**

**Department of Community Affairs
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PROGRAM OVERVIEW

The Department of Community Affairs (DCA) is dedicated to helping New Jersey public schools achieve educational excellence and district efficiencies. The School Regionalization Efficiency Program (SREP) Grant supports public school districts and governing bodies across New Jersey who wish to study the feasibility of school district regionalization and consolidation.

Public school districts and eligible governing bodies are invited to apply for funding to offset costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts. Factors like enrollment, facility utilization, contiguous districts with small enrollment, existing send/receive relationships, administrative staffing, class size, enhancing diversity, debt and contractual obligations, faculty needs and attrition, and other factors will be evaluated.

SREP Guidelines and funding levels will be reviewed annually and are subject to change with each funding cycle.

GRANT MANAGEMENT

Managing your SREP Grant will be an important part of the grant process. The Department of Community Affairs utilizes “The System for Administering Grants Electronically (SAGE),” a web-based application system to accept and approve grant applications and manage executed grants. SAGE can be located at: <https://dcasage.intelligrants.com/portal.asp>.

SOURCE DOCUMENTS:

The following source documents are located at:
https://www.nj.gov/dca/dlgs/programs/srep_grants.shtml.

- SREP Grant Guidelines
- The SAGE User Manual
- SREP Supplemental Application Forms

The SREP Grants are administered by the Division of Local Government Services. All communications and actions between the grantee and the Division of Local Government Services will occur through the DCA’s Grant Management System - SAGE.

FY 2026 FUNDING AVAILABLE

Funding for the SREP Grant originates from \$1 million appropriated through the state budget, P.L. 2025 c. 74, for Shared Services and School District Consolidation Study and Implementation Grants from the Property Tax Relief Fund.

ELIGIBLE APPLICANTS

New Jersey public boards of education of local school districts, consolidated school districts, non-operating school districts and boards of education of a limited purpose or all-purpose regional district are eligible to receive SREP funding. Governing bodies that do not have a board of education, the governing body of a local school district or municipality constituting part of a consolidated school district, and the governing body of a municipality constituting a constituent district of a limited purposed or all-purpose regional district, are also eligible to receive SREP funding.

Applicants shall provide an executed regionalization plan and implementation plan to be eligible for full reimbursement of funds.

Priority will be given to K-12 regionalization and countywide school district proposals.

ELIGIBLE PROJECT CRITERIA

All feasibility study projects seeking SREP funding support must meet the following criteria:

1. Reflect the potential for meaningful and implementable regionalization plans to advance an enhanced learning environment for participating school districts.
2. Coordinate curriculum across schools and grades throughout the proposed consolidation/regionalization.
3. Reflect the potential for improved efficiency and cost savings.
4. Demonstrate that the proposed regionalization 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.
5. To the maximum extent practicable, lead to the establishment of a limited purpose or all-purpose regional district.
6. Consolidate 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).

7. Possess the potential to advance an enhanced learning environment for participating districts.
8. Coordinate curriculum across schools and grades throughout the proposed limited-purpose or all-purpose regional school.
9. Reflect a documented commitment from participating boards of education, and municipal governing bodies (see resolution samples in application) to make good faith efforts to implement study recommendations and subsequent execution of a regionalization plan that promotes efficiency and quality of education.

FUNDING ELIGIBILITY AND PROJECT TYPE

The amount awarded for any school consolidation feasibility study may account for up to 100% of study costs, depending upon application quality and value provided.

Funding is available to support K-12 regionalization and countywide school district consolidation studies for the following three (3) project types:

- A. Preliminary Approval** for school district regionalization to form an all-purpose regional district by expanding an existing limited-purpose regional district through consolidation with some or all of the constituent or sending school districts, or to form a countywide school district.
- B. Newly Proposed** feasibility studies for school district regionalization and those studies in the process of being conducted.
- C. Previously Conducted Feasibility Studies** - school district regionalization feasibility studies completed within two (2) years prior to the enactment of P.L. 2021 c. 402 on January 18, 2022.

Grant funds will not be awarded to applicants who fail to provide an implementation plan.

PROJECT TYPE REQUIREMENTS

- A) Preliminary Approval** of applications for those school districts seeking to expand an existing limited-purpose regional district must meet the following requirements:
 1. Creation of a K-12 regional district incorporating all members or sending districts that currently send students to the same 9-12 or 7-12 regional district: or
 2. Creation of a countywide district; and
 3. Applicant/Project Coordinator and participant resolutions memorializing the school district and/or governing body's commitment to complete the proposed project and

execution of a regionalization plan. One school district or governing body must be designated as the project lead.

B) Applications for Newly Proposed Feasibility Studies and those currently in the process of studying school district regionalization, shall include the following:

1. Existing, relevant consultant reports or studies conducted on behalf of any participating school district or governing body, if any.
2. Certification by the Commissioner of the New Jersey Department of Education that a newly formed or enlarged regional district will not increase or exacerbate segregation among the districts seeking to regionalize or, as applicable, seeking to withdraw.
3. Detailed narrative describing areas to be studied and areas in need of educational and fiscal improvement. Proposed areas of study should include, at a minimum:
 - 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, 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. 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. This analysis shall be developed by the 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 any potential increases or reductions in transportation costs.
- j. Kindergarten through grade 12 curriculum coordination improvements.
- k. Potential enrichment of educational programs for students.
- l. Consolidated school districts that are in close geographic proximity to 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 costs savings.
- m. Calculation and methods of apportionment for determining membership of the regional district board of education among the constituent districts.
- n. A description of the intended use of grant funding in supporting the costs associated with conducting the feasibility study.
- o. A demonstration of the boards or governing bodies' capacity to oversee the proposed feasibility study.
- p. A list of personnel or outside consultants who would be conducting the feasibility study. Consultants shall be selected in accordance with applicable State law.
- q. 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.
- r. A list of intended use of grant funding, its related activities, demonstration of applicants' capacity to complete the proposed project, provision of project management for all activities, fiscal operations, and a listing of key personnel providing such services.

For applications that include participating and non-participating school districts, where the study that involves non-participating districts in a potential regional school district, the study must include the following: (1) findings and recommendations related only to the merger of participating districts into a regional district; and (2) findings and recommendations contingent upon the non-participating district or district agreeing to join the regionalization effort.

- s. Any other materials or information as may be required by DLGS to effectively evaluate the proposed regionalization feasibility study and assess costs associated with conducting the study.
- 4. RFP/bidding documentation for studies in the process of being conducted, as applicable.
 - 5. Applicant/Project Coordinator and participant resolution(s) memorializing the school

district's and/or governing body's commitment to complete the proposed feasibility study and execute a regionalization plan. One school district or governing body must be designated as the project lead.

C) Previously Conducted school district regionalization feasibility study applications must include the following:

1. Lead and participant resolutions memorializing the school district and/or governing body's commitment to the proposed feasibility study project and regionalization plan. One school district or governing body must be designated as the project lead.

NOTE: Applications that include completed feasibility studies will be reviewed by the New Jersey Department of Education to ensure that the consolidation/regionalization plan does not have a negative effect on the basis of race, socio-economic status, or English Language Learner limited enrollment in either the new district proposal or in any district that is being withdrawn from. Application studies that would increase segregation are **not eligible** for SREP funding.

Ineligible Activities:

- Salaries, wages, and ongoing operating costs are not generally eligible. This includes fringe benefits, rent, utilities, telephone maintenance or general administrative costs.
- Early Retirement Incentive (ERI) programs.
- School district regionalization feasibility studies currently under review or have received LEAP Grant funding or any other funding.
- Any expenses not fully justified that DLGS may deem ineligible.

Consultant Services:

All school districts and governing bodies' use of a consultant to conduct a feasibility study must adhere to the following conditions to qualify for reimbursement of part or all the associated expense:

1. Consultant contracts that are expected to exceed the board of education's bid threshold must be awarded pursuant to the competitive contracting process (N.J.S.A. 18A:18A-4.1 et seq.), for which the Division has approved for use by boards of education for this purpose. The only exception involves consultant contracts with a New Jersey state college, state university, or community college. Boards of education are not required to

issue a Request for Proposals (RFP) before awarding a consulting contract to a New Jersey state college, state university, or community college. Please note that this exception does not include consultant contracts with any private colleges or universities regardless of non-profit status, even those located within the State. See Local Finance Notice 2010-3.

2. Copies of the Request for Proposal (RFP), proof of RFP public notice of advertisement either in a newspaper or listed on applicant website, the submitted and selected proposal(s), and the applicant's analysis or other documentation that supports the selection must be submitted as part of the application or reimbursement process, as applicable.
3. All consultant proposals are to be on a time and materials basis, not a single all-inclusive fee, and must show the following:
 - A project timeline broken down into major component tasks and activities.
 - The anticipated time (hours or days) required to accomplish each component.
 - Any sub-contractors associated with the project.
 - The staff level of personnel assigned to each component, the number of hours/days estimated for that assignment, and the rate to be charged.
 - Charges for support staff time must also identify the activity, the staff's hourly rate, and an estimate of hours required for task completion.
 - Out-of-pocket reimbursement (mailing, delivery charges or other related third-party expenses).
 - The total estimated cost of the proposal.
 - Feasibility study work plans must include crucial decision points that will halt the project should it appear that the project is not feasible on a joint or shared basis. The grantee must consult with the SREP before authorizing any further activity.
4. Travel expenses are not eligible for SREP reimbursement. This includes all mileage, tolls, parking, meals, or other travel-related charges.
5. Staff "down time" while traveling between the work site and consultant's home or primary office location is not reimbursable by the SREP.
6. If a grant is awarded, the selected consultant must prepare a detailed work plan of the tasks and activities for each project component, including the personnel assignments and the estimated time anticipated for completion of each task. This work plan must be submitted to the DLGS SREP. The DLGS reserves the right to request additional documentation, information, or other materials necessary for its evaluation of the proposed work plan.
7. There are specific requirements related to reimbursement requests submitted for consultant services. See below.

Consultant-Related Reporting:

SREP Grant reimbursement of payments for contracts with third-party consultants must adhere to the following requirements:

1. Reimbursement of consultant service contracts shall be on a time and materials basis that details the grant-related activity performed, and time required for the activity or allowable expenses related to grant purposes. Grant awards shall be considered the maximum amount of SREP assistance; the value of any time or other costs above the maximum grant amount approved by SREP shall not be reimbursable through SREP.
2. Invoices from the consultant must include the name, professional category, hourly rate of each individual whose time is billed, the date and number of hours worked, the project activity or task associated with the chargeable hours, and the amount due for the services rendered.
3. A separate line item or charge is required for each project activity or task being billed.
4. Copies of executed purchase orders, final invoices, and proof of payment checks (front and back) must accompany the SREP Financial Status Report (FSR). The FSR must bear the signature of the school district or governing body chief financial officer and his/her certification number.
5. A copy of the consultant's feasibility study final report and recommendations must be submitted as part of the documentation for a final reimbursement payment, as applicable.

FEASIBILITY STUDY APPLICATION PROCESS

Applicants are to submit their application and supporting documentation. Through the DCA's grant management system SAGE.

SUBMISSION DEADLINE

This is a rolling application process. However, applications must be submitted through SAGE no later than April 15, 2026. It is recommended that applications be submitted as soon as possible due to the SREP program's popularity and funding availability of the FY 2026 SREP appropriation. Future programs are dependent upon state funding allocations.

Incomplete applications will not be considered for funding.

GRANT REVIEW AND SELECTION PROCESS

DLGS will evaluate all applications. Incomplete applications will be rejected and cannot be re-submitted within the grant funding cycle for which they were submitted. DLGS will review grant applications and take the following action: 1) award a grant; 2) recommend denial of a grant; or 3) notify the applicant that action on the grant will be deferred until a future date.

Applications recommended for denial will receive written notice, including the reason(s) for denial and appeal process instructions.

Priority will be given to K-12 regionalization and countywide school district proposals.

Applications for SREP funding must be consistent with the policies and priorities of any relevant State agency which has jurisdiction or supervisory responsibility over the service or function (e.g., New Jersey Department of Education). Applications for SREP Grants may be reviewed in part by, and are subject to the comments of, such agencies.

APPLICATION SCORING CRITERIA

Applications for any Regionalization and Countywide School District study support will be scored based on the following criteria, on a scale of 100 points:

1. Need for Project (30).
 - a. Documented problems that will be addressed by the study.
 - b. Scope of impact degree to which the project effectuates local or regional change.
2. Anticipated Educational Advantages (30).
 - a. Projected impact on quality of education.
 - b. Potential curriculum enhancement or enrichment.
 - c. Projected Cost Savings.
 - d. Efficiencies to be generated.
 - e. Breadth of issues to be addressed.
 - f. Expansion or enhancement of existing school district ties.
3. Quality and Feasibility of Work Plan (20).
 - a. Quality - Quality of submitted work plan: comprehensiveness, completeness, sufficient level of detail, contingency planning.
 - b. Feasibility - Degree to which the work plan could realistically be implemented given available staffing, budget, and timeline.
 - c. Expense eligibility - Degree to which the proposal only includes eligible expenses, as defined in the Guidelines.
4. Full Participation and Support of Participants (20).
 - a. Documented commitment by participants - Valid supporting documentation received from

all cited participants.

- b. In-kind staff resources - Degree to which proposal includes the provision of in-kind staff resources.
 - c. Matching local government entity funding - Existence and significance of match funding from the applicant local unit.
 - d. Community engagement strategy - Existence and quality of community engagement strategy
 - e. Participant readiness - Degree to which all participants demonstrate readiness to complete the project.
5. Bonus Points (5)
- a. Project with needs identified by the Department of Education (up to 5 Points)

GRANT FUNDING PROCESS

All awards are subject to the availability of funds.

Upon completion of grant review and selection, DLGS will enter into an agreement with applicants approved for funding. Following execution of the agreement, the grantee can request an advance payment of fifty percent (50%) of the grant award. Expense supporting documentation for the entire grant award amount must be submitted upon completion of the project.

Grantees shall maintain and retain accounting and other grant-related records related to the feasibility study funded by the grant, as required by applicable state and local laws and regulations, for no less than two (2) calendar years.

Such records shall be subject to examination, audit, and inspection by DLGS and/or any other federal, state, or local agency that has jurisdictional authority.

DLGS reserves the right to rescind grant awards, reclaim funds, or withhold future grant funding and/or disqualify a grantee from participating in future grant awards if any condition of the grant program is unmet, including if grant funds received by the grantee are not properly accounted for, or if the grantee fails to meet reporting or certification requirements.

Following execution of the agreement, the grantee is permitted to move funds between authorized categories within these guidelines for eligible items without requesting prior approval from the Division.

SEMI-ANNUAL REPORTING

Grantees shall be required to provide the DLGS with semi-annual Project Progress Reports through

SAGE on the activities and progress of the feasibility study project. Project Progress Reports are due bi-annually.

REIMBURSEMENT PROCESS

A) School districts seeking Preliminary Approval and B) Newly Proposed Feasibility Studies and those in the process of being studied:

- 1) School districts seeking Preliminary Approval of an expanded or countywide school district and Newly Proposed Feasibility studies are eligible for fifty percent (50%) payment of the award upon execution of a grant agreement with DLGS and the submission of required documentation (Request for Proposal (RFP), bids, awarded consultant/bid resolution and awarded consultant contract), as applicable, with the remaining fifty percent (50%) paid following approval of the completed study and regionalization implementation plan.

Requests for payment shall be made by submitting a Financial Status Report (FSR) through SAGE, along with uploaded files that contain copies of fully executed purchase orders, final invoices, and cancelled checks (front and back) as proof of payment documenting the expenditure of funds for which reimbursement is sought followed by individual scope of work deliverable(s) and task(s),

GRANT CLOSEOUT PROCESS

The school district regionalization study must be completed within the grant award period, as will be defined in the grant agreement between the applicant and the DLGS.

Regardless of the date of the conclusion of the approved project period, a grant recipient must submit a final feasibility study report, recommendations, and the regionalization implementation plan as part of the final payment documentation. For all studies including non-participating districts, the study evaluation must present at least two (2) sets of options: (1) findings and recommendations related only to the merger of participating districts into a regional district; and (2) findings and recommendations contingent upon the non-participating district or district agreeing to join in the regionalization effort.

At the conclusion of the grant agreement period deadline, any grant program disbursements without submission of a final feasibility study report and recommendations, proof of payment documentation, and regionalization implementation plan, and where applicable, non-participating school district options, may be subject to recoupment along with non-payment of remaining funds.

ASSISTANCE

Applicants may contact program staff at (609) 930-1969 to discuss program and project needs up to submission of the application. Questions can also be submitted via e-mail to dlgs.srepggrant@dca.nj.gov.