Date: June 22, 2022

To: Local Educational Agency Leads

From: Kevin Dehmer, CFO/Assistant Commissioner

Finance and Business Services

Alternative State School Aid Calculation for Districts Receiving School Regionalization Efficiency Program Grant

P.L.2021, c.402 established the School Regionalization Efficiency Program (SREP). This new program provides grant funding for school district feasibility studies that support the creation of meaningful and implementable plans for school district regionalization and consolidation. The Division of Local Government Services (DLGS) within the Department of Community Affairs is now accepting grant applications under this new program. Program details, including application requirements and evaluation criteria, may be found in the SREP Grant Guidelines.

The new law also allows school districts that are participating in the program under an application that has been approved, and that have a state aid differential that is positive, to elect to receive state aid according to an alternative phase-out schedule that would reduce the magnitude of the districts' state aid reductions. Starting with the 2022-2023 school year, once the districts receive notification from the DLGS that the SREP grant has received approval or preliminary approval, a participating district may email the NJDOE at staid@doe.nj.gov to request the alternative state aid schedule be used for their district. The request must include a copy of the Board Resolution approving the school district's request and the letter from the DLGS that shows the date of the SREP grant approval. If the participating district does not regionalize within two years of the SREP application approval, the state aid calculation will revert back to the schedule provided in N.J.S.A. 18A:7F-68.b that is applicable to all districts.

Contact information

Questions about the grant program and application process should be directed to dlgs.srepgrant@dca.nj.gov. Questions about alternative state aid calculations may be directed to state@doe.nj.gov.

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