

18A:76-5a

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2015 **CHAPTER:** 68

NJSA: 18A:76-5a (Authorizes county vocational school district to request county improvement authority to construct and issue bonds to finance school facilities project)

BILL NO: A3970 (Substituted for S2659)

SPONSOR(S) Prieto and others

DATE INTRODUCED: December 11, 2014

COMMITTEE: **ASSEMBLY:** Education

SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** May 14, 2015

SENATE: June 25, 2015

DATE OF APPROVAL: June 26, 2015

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Third Reprint enacted)

A3970

SPONSOR'S STATEMENT: (Begins on page 4 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

S2659

SPONSOR'S STATEMENT: (Begins on page 4 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE:

Yes

GOVERNOR'S PRESS RELEASE ON SIGNING:

No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

LAW/RWH

P.L.2015, CHAPTER 68, *approved June 26, 2015*
 Assembly, No. 3970 (*Third Reprint*)

1 AN ACT concerning county vocational school district school
 2 facilities projects, amending N.J.S.18A:54-31, and
 3 supplementing P.L.2000, c.72 (C.18A:7G-1 et al.).
 4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
 6 of New Jersey:
 7

8 1. (New section) a. Notwithstanding the provisions of
 9 P.L.2000, c.72 (C.18A:7G-1 et al.) or any other section of law to
 10 the contrary, the board of education of a county vocational school
 11 district may request a county improvement authority to construct a
 12 county vocational school district school facilities project and to
 13 issue its bonds to finance the local share of a project that is to be
 14 financed under section 15 of P.L.2000, c.72 (C.18A:7G-15), or to
 15 finance the total costs of a project that is not to be financed under
 16 section 15 of P.L.2000, c.72 (C.18A:7G-15). The bonds of a county
 17 improvement authority issued to finance the total costs of a county
 18 vocational school district school facilities project that is not to be
 19 financed under section 15 of P.L.2000, c.72 (C.18A:7F-15) shall be
 20 eligible for State debt service aid in accordance with the formula
 21 established under section 9 of P.L.2000, c.72 (C.18A:7G-9).

22 b. A county vocational school district may lease its lands or
 23 facilities to the county improvement authority which ³**[shall]** may³
 24 construct the school facilities project through a design-build
 25 contract. ³Whenever a school facilities project is constructed by a
 26 county improvement authority through a design-build contract: (1)³
 27 The county improvement authority shall follow the procedures
 28 established by the ³rules and regulations of the³ New Jersey
 29 Schools Development Authority for the procurement of design-
 30 build contracts ³**[.]** ²; (2) The county improvement authority shall
 31 follow the design requirements and materials and system standards
 32 established by the development authority; (3)³ The provisions of
 33 the “Public School Contracts Law,” (N.J.S.18A:18A-1 et seq.), and
 34 the “Local Public Contracts Law,” P.L.1971, c.198 (C.40A:11-1 et
 35 seq.), shall not ³**[be]** applicable to a county vocational school district
 36 school facilities project constructed by a county improvement
 37 authority. In the case of a school facilities project constructed by a
 38 county improvement authority pursuant to this section, a **[** apply **]**:

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 AED committee amendments adopted January 15, 2015.

²Assembly floor amendments adopted January 29, 2015.

³Assembly amendments adopted in accordance with Governor's recommendations May 7, 2015.

1 and (4) A³ county vocational school district shall ³be required to³
2 comply with the procedures for obtaining approval of the project
3 under P.L.2000, c.72 (C.18A:7G-1 et al.), but shall not be required
4 to comply with the provisions of N.J.S.18A:18A-16.

5 c. The county improvement authority shall lease the county
6 vocational school district school facilities project to the county
7 which shall then lease it for nominal consideration to the county
8 vocational school district for as long as the county improvement
9 authority bonds or refunding bonds are outstanding. ¹Nothing in
10 this section shall be construed to authorize a county to require a
11 county vocational school district to bear any portion of the cost of
12 the debt service on the county improvement authority bonds issued
13 to fund the county vocational school district school facilities project
14 or on any refunding bonds.¹

15 d. The county lease payments made to the county improvement
16 authority pursuant to subsection c. of this section shall not be
17 subject to any cap on appropriations or on spending or to any tax
18 levy cap. The county lease payments shall be sufficient to pay debt
19 service on the county improvement authority bonds issued to fund
20 the county vocational school district school facilities project or on
21 any refunding bonds, that remains after the application of any State
22 debt service aid paid on those bonds pursuant to section 9 of
23 P.L.2000, c.72 (C.18A:7G-9). The county lease payments shall be
24 payable over the life of the bonds.

25 e. When the bonds issued by a county improvement authority
26 are no longer outstanding, the leases and liens of the county and the
27 county improvement authority shall expire and the county
28 vocational school district school facilities project shall be solely
29 vested in the county vocational school district. The county
30 vocational school district shall be responsible for the operation,
31 maintenance, and improvement of the school facility upon the
32 completion of the school facilities project.

33

34 2. N.J.S.18A:54-31 is amended to read as follows:

35 18A:54-31. Whenever a board of education of a county
36 vocational school district shall decide that it is necessary to sell
37 bonds to raise money for any capital project, as defined in section
38 18A:21-1 of this Title, it shall prepare and deliver to each member
39 of the board of school estimate a statement of the amount of money
40 estimated to be necessary for such purpose or purposes.

41 The board of school estimate shall fix and determine the
42 necessary amount and shall make two certificates thereof, one of
43 which certificates shall be delivered to the board of education and
44 the other to the board of chosen freeholders of the county in which
45 the school district is situate.

46 The board of chosen freeholders, or the members of a county
47 improvement authority at the request of the board of education
48 pursuant to section 1 of P.L. , c. (C.) (pending before the

1 Legislature as this bill), may appropriate such amount and borrow
2 such amount for the purpose or purposes aforesaid, and secure the
3 repayment of the sum so borrowed, together with interest thereon,
4 by the issuance of bonds or notes of the county pursuant to the local
5 bond law, notwithstanding any debt limitation or requirement for
6 down payment therein provided for, or by the issuance of bonds or
7 notes of the county improvement authority pursuant to the “county
8 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
9 seq.). The proceeds of the sale of such obligations shall be paid to
10 the treasurer of the county vocational school district, or in the case
11 of bonds or notes issued by the county improvement authority to the
12 chief financial officer of the authority if so directed by the treasurer,
13 and shall be paid out [by him] only on the warrants or orders of the
14 board of education of the school district, or in the case of bonds or
15 notes issued by the county improvement authority on the orders of
16 the chief financial officer of the authority. The treasurer of the
17 board of education or the chief financial officer of the authority, as
18 applicable, shall in no event disburse such proceeds, except to pay
19 the expenses of issuing and selling such obligations and for the
20 purpose or purposes for which such obligations were issued. If for
21 any reason any part of such proceeds are not applied to or necessary
22 for such purpose or purposes, the board of education of the county
23 vocational school district may transfer the balance remaining
24 unapplied to the general fund of the school district.
25 (cf: P.L.1993, c.83, s.25)

26

27 3. This act shall take effect immediately.

28

29

30

31

32 Authorizes county vocational school district to request county
33 improvement authority to construct and issue bonds to finance
34 school facilities project.

ASSEMBLY, No. 3970

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED DECEMBER 11, 2014

Sponsored by:

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

Assemblywoman ANGELICA M. JIMENEZ

District 32 (Bergen and Hudson)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

SYNOPSIS

Authorizes county vocational school district to request county improvement authority to construct and issue bonds to finance school facilities project.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/16/2015)

A3970 PRIETO, JIMENEZ

2

1 AN ACT concerning county vocational school district school
2 facilities projects, amending N.J.S.18A:54-31, and
3 supplementing P.L.2000, c.72 (C.18A:7G-1 et al.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) a. Notwithstanding the provisions of
9 P.L.2000, c.72 (C.18A:7G- 1 et al.) or any other section of law to
10 the contrary, the board of education of a county vocational school
11 district may request a county improvement authority to construct a
12 county vocational school district school facilities project and to
13 issue its bonds to finance the local share of a project that is to be
14 financed under section 15 of P.L.2000, c.72 (C.18A:7G-15), or to
15 finance the total costs of a project that is not to be financed under
16 section 15 of P.L.2000, c.72 (C.18A:7G-15). The bonds of a county
17 improvement authority issued to finance the total costs of a county
18 vocational school district school facilities project that is not to be
19 financed under section 15 of P.L.2000, c.72 (C.18A:7F-15) shall be
20 eligible for State debt service aid in accordance with the formula
21 established under section 9 of P.L.2000, c.72 (C.18A:7G-9).

22 b. A county vocational school district may lease its lands or
23 facilities to the county improvement authority which shall construct
24 the school facilities project through a design-build contract. The
25 provisions of the "Public School Contracts Law," N.J.S.18A:18A-1
26 et seq.), and the "Local Public Contracts Law," P.L.1971, c.198
27 (C.40A:11-1 et seq.), shall not be applicable to a county vocational
28 school district school facilities project constructed by a county
29 improvement authority. In the case of a school facilities project
30 constructed by a county improvement authority pursuant to this
31 section, a county vocational school district shall be required to
32 comply with the procedures for obtaining approval of the project
33 under P.L.2000, c.72 (C.18A:7G-1 et al.), but shall not be required
34 to comply with the provisions of N.J.S.18A:18A-16.

35 c. The county improvement authority shall lease the county
36 vocational school district school facilities project to the county
37 which shall then lease it for nominal consideration to the county
38 vocational school district for as long as the county improvement
39 authority bonds or refunding bonds are outstanding.

40 d. The county lease payments made to the county improvement
41 authority pursuant to subsection c. of this section shall not be
42 subject to any cap on appropriations or on spending or to any tax
43 levy cap. The county lease payments shall be sufficient to pay debt
44 service on the county improvement authority bonds issued to fund
45 the county vocational school district school facilities project or on

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.

1 any refunding bonds, that remains after the application of any State
2 debt service aid paid on those bonds pursuant to section 9 of
3 P.L.2000, c.72 (C.18A:7G-9). The county lease payments shall be
4 payable over the life of the bonds.

5 e. When the bonds issued by a county improvement authority
6 are no longer outstanding, the leases and liens of the county and the
7 county improvement authority shall expire and the county
8 vocational school district school facilities project shall be solely
9 vested in the county vocational school district. The county
10 vocational school district shall be responsible for the operation,
11 maintenance, and improvement of the school facility upon the
12 completion of the school facilities project.

13

14 2. N.J.S.18A:54-31 is amended to read as follows:

15 18A:54-31. Whenever a board of education of a county
16 vocational school district shall decide that it is necessary to sell
17 bonds to raise money for any capital project, as defined in section
18 18A:21-1 of this Title, it shall prepare and deliver to each member
19 of the board of school estimate a statement of the amount of money
20 estimated to be necessary for such purpose or purposes.

21 The board of school estimate shall fix and determine the
22 necessary amount and shall make two certificates thereof, one of
23 which certificates shall be delivered to the board of education and
24 the other to the board of chosen freeholders of the county in which
25 the school district is situate.

26 The board of chosen freeholders, or the members of a county
27 improvement authority at the request of the board of education
28 pursuant to section 1 of P.L. , c. (C.) (pending before the
29 Legislature as this bill), may appropriate such amount and borrow
30 such amount for the purpose or purposes aforesaid, and secure the
31 repayment of the sum so borrowed, together with interest thereon,
32 by the issuance of bonds or notes of the county pursuant to the local
33 bond law, notwithstanding any debt limitation or requirement for
34 down payment therein provided for, or by the issuance of bonds or
35 notes of the county improvement authority pursuant to the “county
36 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
37 seq.). The proceeds of the sale of such obligations shall be paid to
38 the treasurer of the county vocational school district, or in the case
39 of bonds or notes issued by the county improvement authority to the
40 chief financial officer of the authority if so directed by the treasurer,
41 and shall be paid out **【by him】** only on the warrants or orders of the
42 board of education of the school district, or in the case of bonds or
43 notes issued by the county improvement authority on the orders of
44 the chief financial officer of the authority. The treasurer of the
45 board of education or the chief financial officer of the authority, as
46 applicable, shall in no event disburse such proceeds, except to pay
47 the expenses of issuing and selling such obligations and for the
48 purpose or purposes for which such obligations were issued. If for

1 any reason any part of such proceeds are not applied to or necessary
2 for such purpose or purposes, the board of education of the county
3 vocational school district may transfer the balance remaining
4 unapplied to the general fund of the school district.
5 (cf: P.L.1993, c.83, s.25)

6
7 3. This act shall take effect immediately.
8
9

10 STATEMENT
11

12 This bill supplements the “Educational Facilities Construction
13 and Financing Act,” (EFCFA) P.L.2000, c.72 (C.18A:7G-1 et al.),
14 to allow a county vocational school district to request that a county
15 improvement authority construct and finance a county vocational
16 school district school facilities project that has been approved by
17 the Commissioner of Education in accordance with the provisions
18 of that act. The county improvement authority would issue its
19 bonds to finance either the local share of a project that will receive
20 an up-front grant for the State share of the project under section 15
21 of the EFCFA or the total costs of a project that is eligible to
22 receive State debt service aid under section 9 of the EFCFA. The
23 bill explicitly provides that bonds issued by a county improvement
24 authority to finance the total costs will be eligible for State debt
25 service aid in accordance with the provisions of that section.

26 The bill provides that a county vocational school district may
27 lease its lands or facilities to the county improvement authority
28 which will construct the project through a design build contract.
29 The bill stipulates that the provisions of the “Public School
30 Contracts Law,” N.J.S.18A:18A-1 et seq., and the “Local Public
31 Contracts Law, “ P.L.1971 c.198 (C.40A:11-1 et seq.), will not be
32 applicable to a county vocational school district school facilities
33 project that is constructed by a county improvement authority.

34 Under the bill’s provisions, the county improvement authority
35 will lease the county vocational school district school facilities
36 project to the county which will then lease it for nominal
37 consideration to the county vocational school district. The county
38 lease payments made to the county improvement authority will not
39 be subject to any cap on appropriations or spending or to any tax
40 levy cap. The county lease payments must be sufficient to pay the
41 debt service on the county improvement authority bonds that
42 remains after the application of any State debt service aid paid on
43 those bonds. When the bonds of the county improvement authority
44 are no longer outstanding, the leases and liens of the county and the
45 county improvement authority will expire and the school facilities
46 project will be solely vested in the county vocational school district.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3970

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 15, 2015

The Assembly Education Committee reports favorably Assembly Bill No. 3970 with committee amendments.

As amended, this bill supplements the “Educational Facilities Construction and Financing Act,” (EFCFA) P.L.2000, c.72 (C.18A:7G-1 et al.), to allow a county vocational school district to request that a county improvement authority construct and finance a county vocational school district school facilities project that has been approved by the Commissioner of Education in accordance with the provisions of that act. The county improvement authority would issue its bonds to finance either the local share of a project that will receive an up-front grant for the State share of the project under section 15 of the EFCFA or the total costs of a project that is eligible to receive State debt service aid under section 9 of the EFCFA. The bill explicitly provides that bonds issued by a county improvement authority to finance the total costs will be eligible for State debt service aid in accordance with the provisions of that section.

The bill provides that a county vocational school district may lease its lands or facilities to the county improvement authority which will construct the project through a design-build contract. The bill stipulates that the provisions of the “Public School Contracts Law,” N.J.S.18A:18A-1 et seq., and the “Local Public Contracts Law,” P.L.1971 c.198 (C.40A:11-1 et seq.), will not be applicable to a county vocational school district school facilities project that is constructed by a county improvement authority.

Under the bill’s provisions, the county improvement authority will lease the county vocational school district school facilities project to the county which will then lease it for nominal consideration to the county vocational school district. The county lease payments made to the county improvement authority will not be subject to any cap on appropriations or spending or to any tax levy cap. The county lease payments must be sufficient to pay the debt service on the county improvement authority bonds that remains after the application of any State debt service aid paid on those bonds. When the bonds of the county improvement authority are no longer outstanding, the leases and liens of the county and the county improvement authority will

expire and the school facilities project will be solely vested in the county vocational school district.

The committee amended the bill to clarify that a county may not require a county vocational school district to bear any portion of the cost of the debt service on the county improvement authority bonds issued to fund the county vocational school district school facilities project or on any refunding bonds.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 3970

with Assembly Floor Amendments
(Proposed by Assemblyman PRIETO)

ADOPTED: JANUARY 29, 2015

This floor amendment provides that a county improvement authority, which is authorized under the bill to construct a county vocational school district school facilities project through a design-build contract, will be required to follow the procedures established by the New Jersey Schools Development Authority for the procurement of design-build contracts.

SENATE, No. 2659

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED DECEMBER 15, 2014

Sponsored by:

Senator NICHOLAS J. SACCO

District 32 (Bergen and Hudson)

SYNOPSIS

Authorizes county vocational school district to request county improvement authority to construct and issue bonds to finance school facilities project.

CURRENT VERSION OF TEXT

As introduced.



S2659 SACCO

2

1 AN ACT concerning county vocational school district school
2 facilities projects, amending N.J.S.18A:54-31, and
3 supplementing P.L.2000, c.72 (C.18A:7G-1 et al.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) a. Notwithstanding the provisions of
9 P.L.2000, c.72 (C.18A:7G- 1 et al.) or any other section of law to
10 the contrary, the board of education of a county vocational school
11 district may request a county improvement authority to construct a
12 county vocational school district school facilities project and to
13 issue its bonds to finance the local share of a project that is to be
14 financed under section 15 of P.L.2000, c.72 (C.18A:7G-15), or to
15 finance the total costs of a project that is not to be financed under
16 section 15 of P.L.2000, c.72 (C.18A:7G-15). The bonds of a county
17 improvement authority issued to finance the total costs of a county
18 vocational school district school facilities project that is not to be
19 financed under section 15 of P.L.2000, c.72 (C.18A:7F-15) shall be
20 eligible for State debt service aid in accordance with the formula
21 established under section 9 of P.L.2000, c.72 (C.18A:7G-9).

22 b. A county vocational school district may lease its lands or
23 facilities to the county improvement authority which shall construct
24 the school facilities project through a design-build contract. The
25 provisions of the "Public School Contracts Law," N.J.S.18A:18A-1
26 et seq.), and the "Local Public Contracts Law," P.L.1971, c.198
27 (C.40A:11-1 et seq.), shall not be applicable to a county vocational
28 school district school facilities project constructed by a county
29 improvement authority. In the case of a school facilities project
30 constructed by a county improvement authority pursuant to this
31 section, a county vocational school district shall be required to
32 comply with the procedures for obtaining approval of the project
33 under P.L.2000, c.72 (C.18A:7G-1 et al.), but shall not be required
34 to comply with the provisions of N.J.S.18A:18A-16.

35 c. The county improvement authority shall lease the county
36 vocational school district school facilities project to the county
37 which shall then lease it for nominal consideration to the county
38 vocational school district for as long as the county improvement
39 authority bonds or refunding bonds are outstanding.

40 d. The county lease payments made to the county improvement
41 authority pursuant to subsection c. of this section shall not be
42 subject to any cap on appropriations or on spending or to any tax
43 levy cap. The county lease payments shall be sufficient to pay debt
44 service on the county improvement authority bonds issued to fund
45 the county vocational school district school facilities project or on

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.

S2659 SACCO

1 any refunding bonds, that remains after the application of any State
2 debt service aid paid on those bonds pursuant to section 9 of
3 P.L.2000, c.72 (C.18A:7G-9). The county lease payments shall be
4 payable over the life of the bonds.

5 e. When the bonds issued by a county improvement authority
6 are no longer outstanding, the leases and liens of the county and the
7 county improvement authority shall expire and the county
8 vocational school district school facilities project shall be solely
9 vested in the county vocational school district. The county
10 vocational school district shall be responsible for the operation,
11 maintenance, and improvement of the school facility upon the
12 completion of the school facilities project.

13

14 2. N.J.S.18A:54-31 is amended to read as follows:

15 18A:54-31. Whenever a board of education of a county
16 vocational school district shall decide that it is necessary to sell
17 bonds to raise money for any capital project, as defined in section
18 18A:21-1 of this Title, it shall prepare and deliver to each member
19 of the board of school estimate a statement of the amount of money
20 estimated to be necessary for such purpose or purposes.

21 The board of school estimate shall fix and determine the
22 necessary amount and shall make two certificates thereof, one of
23 which certificates shall be delivered to the board of education and
24 the other to the board of chosen freeholders of the county in which
25 the school district is situate.

26 The board of chosen freeholders, or the members of a county
27 improvement authority at the request of the board of education
28 pursuant to section 1 of P.L. , c. (C.) (pending before the
29 Legislature as this bill), may appropriate such amount and borrow
30 such amount for the purpose or purposes aforesaid, and secure the
31 repayment of the sum so borrowed, together with interest thereon,
32 by the issuance of bonds or notes of the county pursuant to the local
33 bond law, notwithstanding any debt limitation or requirement for
34 down payment therein provided for, or by the issuance of bonds or
35 notes of the county improvement authority pursuant to the “county
36 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
37 seq.). The proceeds of the sale of such obligations shall be paid to
38 the treasurer of the county vocational school district, or in the case
39 of bonds or notes issued by the county improvement authority to the
40 chief financial officer of the authority if so directed by the treasurer,
41 and shall be paid out **【by him】** only on the warrants or orders of the
42 board of education of the school district, or in the case of bonds or
43 notes issued by the county improvement authority on the orders of
44 the chief financial officer of the authority. The treasurer of the
45 board of education or the chief financial officer of the authority, as
46 applicable, shall in no event disburse such proceeds, except to pay
47 the expenses of issuing and selling such obligations and for the
48 purpose or purposes for which such obligations were issued. If for

S2659 SACCO

1 any reason any part of such proceeds are not applied to or necessary
2 for such purpose or purposes, the board of education of the county
3 vocational school district may transfer the balance remaining
4 unapplied to the general fund of the school district.
5 (cf: P.L.1993, c.83, s.25)

6

7 3. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill supplements the “Educational Facilities Construction
13 and Financing Act,” (EFCFA) P.L.2000, c.72 (C.18A:7G-1 et al.),
14 to allow a county vocational school district to request that a county
15 improvement authority construct and finance a county vocational
16 school district school facilities project that has been approved by
17 the Commissioner of Education in accordance with the provisions
18 of that act. The county improvement authority would issue its
19 bonds to finance either the local share of a project that will receive
20 an up-front grant for the State share of the project under section 15
21 of the EFCFA or the total costs of a project that is eligible to
22 receive State debt service aid under section 9 of the EFCFA. The
23 bill explicitly provides that bonds issued by a county improvement
24 authority to finance the total costs will be eligible for State debt
25 service aid in accordance with the provisions of that section.

26 The bill provides that a county vocational school district may
27 lease its lands or facilities to the county improvement authority
28 which will construct the project through a design build contract.
29 The bill stipulates that the provisions of the “Public School
30 Contracts Law,” N.J.S.18A:18A-1 et seq., and the “Local Public
31 Contracts Law, “ P.L.1971 c. 198 (C.40A:11-1 et seq.), will not be
32 applicable to a county vocational school district school facilities
33 project that is constructed by a county improvement authority.

34 Under the bill’s provisions, the county improvement authority
35 will lease the county vocational school district school facilities
36 project to the county which will then lease it for nominal
37 consideration to the county vocational school district. The county
38 lease payments made to the county improvement authority will not
39 be subject to any cap on appropriations or spending or to any tax
40 levy cap. The county lease payments must be sufficient to pay the
41 debt service on the county improvement authority bonds that
42 remains after the application of any State debt service aid paid on
43 those bonds. When the bonds of the county improvement authority
44 are no longer outstanding, the leases and liens of the county and the
45 county improvement authority will expire and the school facilities
46 project will be solely vested in the county vocational school district.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 2659

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 29, 2015

The Senate Education Committee reports favorably Senate Bill No. 2659 with committee amendments.

As amended, this bill supplements the “Educational Facilities Construction and Financing Act,” (EFCFA) P.L.2000, c.72 (C.18A:7G-1 et al.), to allow a county vocational school district to request that a county improvement authority construct and finance a county vocational school district school facilities project that has been approved by the Commissioner of Education in accordance with the provisions of that act. The county improvement authority would issue its bonds to finance either the local share of a project that will receive an up-front grant for the State share of the project under section 15 of the EFCFA or the total costs of a project that is eligible to receive State debt service aid under section 9 of the EFCFA. The bill explicitly provides that bonds issued by a county improvement authority to finance the total costs will be eligible for State debt service aid in accordance with the provisions of that section.

The bill provides that a county vocational school district may lease its lands or facilities to the county improvement authority which will construct the project through a design-build contract. The bill stipulates that the provisions of the “Public School Contracts Law,” N.J.S.18A:18A-1 et seq., and the “Local Public Contracts Law,” P.L.1971 c.198 (C.40A:11-1 et seq.), will not be applicable to a county vocational school district school facilities project that is constructed by a county improvement authority.

Under the bill’s provisions, the county improvement authority will lease the county vocational school district school facilities project to the county which will then lease it for nominal consideration to the county vocational school district. The county lease payments made to the county improvement authority will not be subject to any cap on appropriations or spending or to any tax levy cap. The county lease payments must be sufficient to pay the debt service on the county improvement authority bonds that remains after the application of any State debt service aid paid on those bonds. When the bonds of the county improvement authority are no longer outstanding, the leases and liens of the county and the county improvement authority will

expire and the school facilities project will be solely vested in the county vocational school district.

The committee amended the bill to clarify that a county may not require a county vocational school district to bear any portion of the cost of the debt service on the county improvement authority bonds issued to fund the county vocational school district school facilities project or on any refunding bonds.

STATEMENT TO
[First Reprint]
SENATE, No. 2659

with Senate Floor Amendments
(Proposed by Senator SACCO)

ADOPTED: MARCH 16, 2015

This floor amendment provides that a county improvement authority, which is authorized under the bill to construct a county vocational school district school facilities project through a design-build contract, will be required to follow the procedures established by the New Jersey Schools Development Authority for the procurement of design-build contracts.

ASSEMBLY BILL NO. 3970
(Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3970 (Second Reprint) with my recommendations for reconsideration.

Just five months ago, I was pleased to sign a package of five bills designed to improve and expand vocational education throughout New Jersey. These new laws are being implemented with remarkable efficiency, and some are already bearing fruit. For example, in January the Department of Education released the 2014 School Performance Reports that, for the first time, measured career and technical education participation in each school district, which amounted to more than 78,000 high school students participating in over 900 approved programs state-wide. Moreover, two weeks ago the Department awarded six county vocational school district partnership grants totaling more than \$2.5 million that will increase access and student opportunities in career and technical education for high school students through partnerships with businesses, industry, and other groups. These efforts, among many others, are advancing my Administration's goal that all students will graduate from high school ready for college and careers.

This bill would authorize county vocational school districts to construct and finance new vocational schools through county improvement authorities. I commend the sponsors for this legislation that features a promising way to streamline the construction and financing of new vocational schools so that county vocational schools can add capacity to meet the strong demand for career-focused programs.

The bill in its current form, however, presents a few minor concerns that should be addressed before it is enacted into law

in order to avoid unintended consequences and to ensure that schools are built properly for the well-being of our schoolchildren. I recommend that the bill simply authorize, rather than require, the use of design-build contracts for school facilities projects. This change will grant county officials the flexibility they need to select the most appropriate contracting method - design-bid-build or design-build - according to the scope of a given project.

Also, our schools must be built in accordance with standards that guarantee safety and high quality. Our children deserve nothing less. Accordingly, I recommend that a county improvement authority follow Schools Development Authority design and building standards for design-build school construction projects.

Accordingly, I herewith return Assembly Bill No. 3970 (Second Reprint) and recommend that it be amended as follows:

- | | |
|--|--|
| <u>Page 2, Section 1, Line 23:</u> | Delete "shall" and insert "may" |
| <u>Page 2, Section 1, Line 24:</u> | After "contract." insert "Whenever a school facilities project is constructed by a county improvement authority through a design-build contract: (1)" |
| <u>Page 2, Section 1, Line 26:</u> | After "the" insert "rules and regulations of the" |
| <u>Page 2, Section 1, Line 27:</u> | Delete "." and insert "; (2) The county improvement authority shall follow the design requirements and materials and system standards established by the development authority; (3)" |
| <u>Page 2, Section 1, Lines 30-33:</u> | Delete "be applicable to a county vocational school district school facilities project constructed by a county improvement authority. In the case of a school facilities project constructed by a county |

improvement authority
pursuant to this
section, a" and insert
"apply; and (4) A"

Page 2, Section 1, Line 34:

Delete "be required to"

[Seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Christopher S. Porrino

Chief Counsel to the Governor