

18A:7A-46.1

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 18A:7a-46.1

(State operated
school districts-
school capital
projects)

LAWS OF: 1991

CHAPTER: 139

Bill No: A3391

Sponsor(s): Charles & others

Date Introduced: April 23, 1990

Committee: Assembly: Education

Senate: Education

Amended during passage: Yes Amendments during passage
denoted by asterisks.

Date of Passage: Assembly: October 4, 1990

Senate: March 25, 1991

Date of Approval: May 20, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

[SECOND REPRINT]
ASSEMBLY, No. 3391

STATE OF NEW JERSEY

INTRODUCED APRIL 23, 1990

By Assemblymen CHARLES, KENNY, Menendez,
Impeveduto, Kronick and Doria

1 AN ACT concerning State-operated school districts and
2 supplementing chapter 7A of Title 18A of the New Jersey
3 Statutes.

4
5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. a. In any State-operated school district created pursuant to
8 the provisions of P.L.1975, c.212 (C.18A:7A-1 et seq.) there shall
9 be established a Capital Project ¹[Control] ²[Review¹] Control²
10 Board, hereinafter the board, which shall be responsible for the
11 review ¹[and approval]¹ of ¹any¹ capital ¹[projects to] project
12 proposed by the State district superintendent provided that the
13 State district superintendent proposes that the capital project be
14 financed in whole or in part by bonds or notes, or through a lease
15 purchase agreement pursuant to subsection f. of
16 N.J.S.18A:20-4.2. ²[Following its review, the board shall make a
17 recommendation to the Commissioner of Education as to whether
18 the capital project should¹ be undertaken by the State-operated
19 school district ¹[,].]² The board shall also be responsible for¹ the
20 certification to the State district superintendent of schools and
21 the Commissioner of Education of the necessity for the capital
22 ¹[projects,] project¹ and the certification of the appropriation to
23 be made by the governing body of the municipality.

24 b. The board shall consist of five ¹voting¹ members. One
25 member shall be appointed by the Commissioner of Education and
26 two members shall be appointed by the chief executive officer
27 with the consent of a majority of the full membership of the local
28 governing body of the municipality ¹or municipalities¹ in which
29 the school district is located. ¹If the school district is comprised
30 of two municipalities, each municipality shall be entitled to one
31 member, appointed by the executive officer with the consent of
32 the governing body. If the school district is comprised of more
33 than two municipalities, each of the two municipalities with the
34 largest population according to the most recent federal decennial
35 census shall be entitled to one member, appointed by the
36 executive officer with the consent of the governing body.¹
37 However, if ¹[the] a¹ local governing body fails to agree upon the
38 selection of ¹[the two] either¹ board ¹[members] member

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:

¹ Assembly AED committee amendments adopted September 13, 1990.

² Senate floor amendments adopted March 14, 1991.

1 appointed by an executive officer¹, then the Commissioner of
2 Education shall make the ¹[appointments] appointment¹. One
3 member shall be appointed by the Director of the Division of
4 Local Government Services in the Department of Community
5 Affairs who shall have experience in the area of local finance and
6 capital projects. The fifth member shall be the State district
7 superintendent of schools who shall serve ex-officio and shall act
8 as chairperson of the board. The board members, except for the
9 State district superintendent, shall each serve for a term of one
10 year commencing on July 1 of each year and expiring on June 30
11 of the following year. Any vacancy in the membership of the
12 board shall be filled for the unexpired term in the manner
13 provided by the original appointment. Members of the board may
14 be employees of the State or any subdivision thereof. All
15 members of the board shall serve without compensation ¹[but
16 shall be reimbursed for all necessary expenses incurred in the
17 performance of their duties]¹.

18 c. The board shall meet from time to time upon the request of
19 the State district superintendent. All meetings of the board shall
20 be conducted pursuant to the provisions of the "Open Public
21 Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.). The State
22 district superintendent, or his designee, shall be charged with the
23 responsibility of preparing a transcript of the proceedings and all
24 votes shall be recorded in writing.

25 2. The board shall hear the ¹[recommendations]
26 recommendation¹ of the State district superintendent ¹[and the
27 members of the board]¹ concerning any proposed capital project
28 ¹, which is to be financed in whole or in part by bonds or notes, or
29 through a lease purchase agreement pursuant to subsection f. of
30 N.J.S.18A:20-4.2,¹ and shall undertake all actions necessary to
31 review the proposed capital project to determine whether ¹[it]
32 the project¹ will assist the State-operated school district in
33 providing a thorough and efficient system of education in that
34 district. In making this determination it may take into
35 consideration factors such as the conditions in the school district,
36 any applicable educational goals, the objectives and standards
37 established by the State, the need for the capital project, the
38 reasonableness of the amount to be expended for the capital
39 project, the estimated time for the undertaking and completion
40 of the capital project, and any other factors which the board may
41 deem necessary including the relationship of the capital project
42 to the long term capital budget or plan of the school district and
43 the fiscal implications thereof.

44 ¹Following its review and within 60 days of the date on which
45 the State district superintendent submits the recommendation to
46 the board, the board shall adopt a resolution ²[recommending] as
47 to² whether the State-operated school district should undertake
48 the capital project and providing its reasons therefor. ²[The board
49 shall forward a certified copy of this resolution to the

1 Commissioner of Education who shall, upon receipt and review of
 2 the recommendation, approve or disapprove the capital project.]
 3 The board shall adopt a resolution indicating the necessity for the
 4 capital project and shall also fix and determine by resolution the
 5 amount necessary for the capital project.² If the board fails to
 6 act within 60 days of the submission date, the State district
 7 superintendent shall submit the recommendation to the
 8 commissioner who shall approve or disapprove the capital
 9 project.¹ ²If the board makes a decision which is contrary to the
 10 recommendation of the superintendent, the superintendent may,
 11 within 30 days from the date of the board's action, submit the
 12 matter to the commissioner for final decision.² If the ¹[Capital
 13 Project Control Board] commissioner¹ determines that a capital
 14 project should be undertaken ¹[it] , the commissioner shall so
 15 notify the board and shall indicate the amount necessary for the
 16 capital project. Upon notification, the board¹ shall adopt a
 17 resolution indicating the necessity for the capital project and
 18 shall also fix and determine by resolution the amount necessary
 19 for the capital project ¹as indicated by the commissioner¹.
 20 Certified copies of any resolution requesting ¹[an appropriation in
 21 the annual school budget or through]¹ the authorization and
 22 issuance of bonds and notes ¹or the authorization of a lease
 23 purchase agreement¹ shall be delivered to the State district
 24 superintendent, the Commissioner of Education, the Director of
 25 the Division of Local Government Services in the Department of
 26 Community Affairs and the governing body of the municipality
 27 ¹or municipalities¹ in which the school district is located. The
 28 board shall not ¹[approve] ²approve or² recommend¹ any capital
 29 project which is inconsistent with the provisions of
 30 N.J.S.18A:21-1.

31 3. Notwithstanding the provisions of any law to the contrary,
 32 the cost of any capital project authorized pursuant to this act
 33 ¹which is to be funded by bonds or notes¹ and certified by the
 34 board to the State district superintendent, the Commissioner of
 35 Education, the Director of the Division of Local Government
 36 Services in the Department of Community Affairs and the
 37 governing body of the municipality ¹or municipalities¹ in which
 38 the school district is located shall be ¹[provided from taxes raised
 39 or any reserve fund established in the annual school budget
 40 adopted pursuant to section 19 of P.L.1987, c.399 (C.18A:7A-52)
 41 or shall be]¹ financed by the issuance of bonds or notes pursuant
 42 to the provisions of ¹[N.J.S.18A:24-1 et seq.] chapter 24 of Title
 43 18A of the New Jersey Statutes¹ and the "Local Bond Law,"
 44 P.L.1960, c.169 (C.40A:2-1 et seq.) and the notes, bonds or other
 45 obligations shall be authorized, issued, sold and delivered in the
 46 manner prescribed by the "Local Bond Law," P.L.1960, c.169
 47 (C.40A:2-1 et seq.).

48 4. ¹[The board shall have jurisdiction over capital projects to
 49 be authorized and those capital projects which have been

1 authorized prior to the date of the appointment of the State
2 district superintendent; however, no authorization shall be
3 rescinded, repealed or cancelled unless by action of the governing
4 body of the municipality and after certification of the amount of
5 the unencumbered appropriation balance by the State district
6 superintendent.]¹ Any authorization of notes or bonds effective
7 prior to the date of the appointment of the State district
8 superintendent shall be issued in the manner prescribed by the
9 "Local Bond Law", P.L.1960, c.169 (C.40A:2-1 et seq.)

10 5. ¹[At the time the voters of the school district elect to
11 become a type I district or a type II district, following a
12 determination by the State board that local control should be
13 reestablished pursuant to section 16 of P.L.1987, c.399
14 (C.18A:7A-49), the board shall serve as a Board of School
15 Estimate for a term of one year following the transfer and until
16 their successors are chosen. However, upon the consent of the
17 Commissioner of Education, the Director of the Division of Local
18 Government Services in the Department of Consumer Affairs and
19 the governing body of the municipality in which the school
20 district is located, the] The¹ board shall immediately cease to
21 exist upon reestablishment of local control in the school district¹,
22 pursuant to section 16 of P.L.1987, c.399 (C.18A:7A-49)¹.

23 6. The debt service on bonds, notes and other obligations
24 authorized pursuant to this act shall be appropriated and made
25 part of the municipal budget and raised through the annual
26 municipal tax levy. However, all debt service payments shall be
27 included in the budget of the State-operated school district as
28 the sum necessary for interest and debt redemption charges and
29 shall be eligible for State education aid in the year in which the
30 appropriation and expenditure are made.

31 7. This act shall take effect immediately.

32 33 34 EDUCATION

35
36 Provides for approval of capital projects of State-operated school
37 districts by a Capital Project Control Board.

1 prior to the date of the appointment of the State district
2 superintendent; however, no authorization shall be rescinded,
3 repealed or cancelled unless by action of the governing body of
4 the municipality and after certification of the amount of the
5 unencumbered appropriation balance by the State district
6 superintendent. Any authorization of notes or bonds effective
7 prior to the date of the appointment of the State district
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9 "Local Bond Law", P.L.1960, c.169 (C.40A:2-1 et seq.)

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11 become a type I district or a type II district, following a
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15 Estimate for a term of one year following the transfer and until
16 their successors are chosen. However, upon the consent of the
17 Commissioner of Education, the Director of the Division of Local
18 Government Services in the Department of Consumer Affairs and
19 the governing body of the municipality in which the school
20 district is located, the board shall immediately cease to exist
21 upon reestablishment of local control in the school district.

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23 authorized pursuant to this act shall be appropriated and made
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25 municipal tax levy. However, all debt service payments shall be
26 included in the budget of the State-operated school district as
27 the sum necessary for interest and debt redemption charges and
28 shall be eligible for State education aid in the year in which the
29 appropriation and expenditure are made.

30 7. This act shall take effect immediately.

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STATEMENT

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35 This bill creates a Capital Project Control Board in
36 State-operated school districts which is charged with the
37 responsibility for identifying and approving capital projects for
38 the school district. The board is to consist of five members; one
39 to be appointed by the Commissioner of Education; two to be
40 appointed by the governing body of the municipality in which the
41 school district is located; one to be appointed by the Director of
42 the Division of Local Services in the Department of Community
43 Affairs; and the final member to be the State district
44 superintendent who will serve ex-officio.

45 The board, upon request of the State district superintendent,
46 will review any proposed capital project based upon need,
47 educational goals, State standards, the effect on district
48 finances, the time of completion and the amount and
49 reasonableness of the expenditure. Upon approval of the capital

1 project, the board must fix and determine the amount necessary
2 to pay for the capital project through taxes or borrowing.

3 This bill will supplement current law by providing a specific
4 mechanism through which State-operated school districts may
5 fund their capital projects.

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EDUCATION

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10 Provides for approval of capital projects of State-operated school
11 districts by a Capital Project Control Board.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3391

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1990

The Assembly Education Committee favorably reports Assembly, No. 3391 as amended.

As amended, this bill creates a Capital Project Review Board in State-operated school districts which is charged with the responsibility for reviewing those capital projects for the school district which are to be funded by bonds or notes or through lease purchase. The board shall review projects submitted by the State district superintendent and shall make recommendations about the projects to the Commissioner of Education. If the board fails to act within 60 days, the State district superintendent may submit the project directly to the commissioner. The commissioner shall approve or disapprove the capital project and indicate the amount of money necessary for its completion. The commissioner shall forward these determinations to the board which shall then adopt a resolution implementing the commissioner's determination.

The board is to consist of five members; one to be appointed by the Commissioner of Education; two to be appointed by the governing body of the municipality in which the school district is located; one to be appointed by the Director of the Division of Local Services in the Department of Community Affairs; and the final member to be the State district superintendent who will serve ex-officio.

This bill will supplement current law by providing a specific mechanism through which State-operated school districts may fund their capital projects.

Representatives of the New Jersey Education Association, New Jersey School Boards Association and the Department of Education supported the bill as amended.

The committee amendments change the name of the board, make its role advisory to the commissioner, establish procedures for the review and recommendation process, limit the board's domain to capital projects to be financed through borrowing or lease purchase, eliminate the provision to reimburse board members for expenses, and clarify the appointment and notification procedures when the school district encompasses more than one municipality.

SENATE EDUCATION COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 3391

STATE OF NEW JERSEY

DATED: OCTOBER 15, 1990

The Senate Education Committee favorably reports Senate Bill No. 3391 [1R] without committee amendments.

This bill creates a Capital Project Review Board in State-operated school districts which is charged with the responsibility for reviewing those capital projects for the school district which are to be funded by bonds or notes or through lease purchase. The board shall review projects submitted by the State district superintendent and shall make recommendations about the projects to the Commissioner of Education. If the board fails to act within 60 days, the State district superintendent may submit the project directly to the commissioner. The commissioner shall approve or disapprove the capital project and indicate the amount of money necessary for its completion. The commissioner shall forward these determinations to the board which shall then adopt a resolution implementing the commissioner's determination.

The board is to consist of five members; one to be appointed by the Commissioner of Education; two to be appointed by the governing body of the municipality in which the school district is located; one to be appointed by the Director of the Division of Local Government Services in the Department of Community Affairs; and the final member to be the State district superintendent who will serve ex-officio.

This bill will supplement current law by providing a specific mechanism through which State-operated school districts may fund their capital projects.

This bill is identical to Senate Bill No. 2869 with Senate Education Committee amendments.