

ASSEMBLY, No. 906

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ROCCO

1 AN ACT authorizing the creation of a debt of the State of New Jersey
2 by the issuance of bonds of the State in the aggregate principal
3 amount of \$250,000,000 for the purpose of providing financial aid
4 to local school districts for the construction of public school
5 facilities; providing the ways and means to pay the interest on the
6 bonds and also to pay and discharge the principal thereof; providing
7 for the submission of this act to the people at a general election;
8 and providing an appropriation therefor.

9

10 **BE IT ENACTED** by the Senate and General Assembly of the State
11 of New Jersey:

12

13 1. This act shall be known and may be cited as the "Public School
14 Facilities Bond Act of 1994."

15

16 2. The Legislature finds and declares that the provision of safe and
17 adequate public school buildings is an essential State obligation; that
18 there is a current unmet need of more than one billion dollars for the
19 renovation, repair and construction of those facilities; that the lack of
20 adequate facilities has seriously impeded the ability of local school
21 districts to provide a thorough and efficient system of education to all
22 pupils as required by the State Constitution; and that the State cannot
23 ignore conditions which jeopardize the health, safety and general
24 welfare of our children.

25

26 3. As used in this act:

27 "Bonds" mean the bonds authorized to be issued, or issued under
28 this act.

29 "Commission" means the New Jersey Commission on Capital
30 Budgeting and Planning.

31 "Commissioner" means the Commissioner of the Department of
32 Education.

33 "Construction" means, in addition to the usual meaning thereof, the
34 designing, engineering, financing, extension, repair, remodeling,
35 rehabilitation or alteration, or any combination thereof, of a public

1 school building or any part thereof.

2 "Cost" means the expenses incurred in connection with: the
3 acquisition by purchase, lease or otherwise, the development, and the
4 construction of any project authorized by this act; the acquisition by
5 purchase, lease or otherwise, and the development of any real or
6 personal property for use in connection with any project authorized by
7 this act, including any rights or interests therein; the execution of any
8 agreements and franchises deemed by the department to be necessary
9 or useful and convenient in connection with any project authorized by
10 this act; the procurement of engineering, inspection, planning, legal,
11 financial or other professional services, including the services of a
12 bond registrar or an authenticating agent; the issuance of bonds, or any
13 interest or discount thereon; the administrative, organizational,
14 operating or other expenses incident to the financing, completing and
15 placing into service of projects authorized by this act; the
16 establishment of a reserve fund or funds for working capital,
17 operating, maintenance or replacement expenses and for the payment
18 or security of principal or interest on bonds, as the Director of the
19 Division of Budget and Accounting in the Department of the Treasury
20 may determine; and reimbursement to any fund of the State of moneys
21 which may have been transferred or advanced therefrom to any fund
22 created by this act, or of any moneys which may have been expended
23 therefrom for or in connection with any project authorized by this act.

24 "Department" means the Department of Education.

25 "Government securities" means any bonds or other obligations
26 which as to principal and interest constitute direct obligations of, or
27 are unconditionally guaranteed by, the United States of America,
28 including obligations of any federal agency to the extent those
29 obligations are unconditionally guaranteed by the United States of
30 America and any certificates or any other evidences of an ownership
31 interest in those obligations of, or unconditionally guaranteed by, the
32 United States of America or in specified portions of those obligations,
33 which may consist of the principal of, or the interest on, those
34 obligations.

35 "Local school district" means any school district which is operated
36 under the provisions of Title 18A of the New Jersey Statutes and
37 which is responsible for the provision of the free public education to
38 all children.

39 "Project" means any work relating to the construction of a public
40 school facility by a local school district.

41 "Public school" means a school, under collegiate grade, which is
42 operated by a local school district.

43

44 4. The State Board of Education, shall adopt, pursuant to law, the
45 rules and regulations necessary to carry out the provisions of this act.
46 The commissioner shall review and consider the findings and

1 recommendations of the commission in the administration of the
2 provisions of this act.

3

4 5. Bonds of the State of New Jersey in the aggregate principal
5 amount of \$250,000,000 are hereby authorized for the construction,
6 renovation, repair or alteration of public school buildings the proceeds
7 of which shall be allocated on the basis of a facilities needs assessment
8 as determined by the State Board of Education in accordance with the
9 following estimates of costs:

10 a. For the "Public School Facilities Loan Fund" in the State
11 Department of Education as established pursuant to P.L. , c.
12 (C.) (now pending before the Legislature as Assembly Bill No. 505
13 of 1994) - a minimum of \$190,000,000.

14 b. For grants to socioeconomically and geographically
15 disadvantaged school districts for the cost of construction of public
16 school facilities to be used for comprehensive pre-kindergarten and full
17 day kindergarten programs -a maximum of \$60,000,000. Of the
18 \$60,000,000, \$30,000,000 shall be used for grants to special needs
19 districts as defined in section 3 of P.L.1990, c.52 (C.18A:7D-3) in an
20 amount equal to at least \$1,000,000 per grant which shall be used for
21 the construction of two classrooms, a room for social services and a
22 community meeting room. The remainder of the grant funds shall be
23 allocated among the socioeconomically and geographically
24 disadvantaged districts, including the special needs districts, for the
25 construction of additional classrooms based upon each district's
26 anticipated enrollment in pre-kindergarten and full day kindergarten
27 programs. The grants so allocated shall not exceed \$250,000 per
28 classroom. The Commissioner of Education shall establish application
29 procedures and requirements. Each grant shall be contingent upon the
30 recipient local board of education both entering into a contract or
31 contracts for the commencement of construction of the public school
32 facility within one year of the awarding of the grant and upon
33 receiving approval by the Commissioner of Education for a
34 comprehensive plan to provide pre-kindergarten and full day
35 kindergarten programs within the district. The State Board of
36 Education shall adopt standard model plans for the construction of
37 school facilities for pre-kindergarten and full day kindergarten
38 programs to be used by school districts applying for grants under this
39 subsection.

40

41 6. The bonds authorized under this act shall be serial bonds, term
42 bonds, or a combination thereof, and shall be known as "Public School
43 Facilities Bonds." These bonds shall be issued from time to time as the
44 issuing officials herein named shall determine, and may be issued in
45 coupon form, fully registered form or book-entry form. These bonds
46 shall be subject to redemption prior to maturity and shall mature and

1 be paid no later than 35 years from the respective dates of their
2 issuance.

3

4 7. The Governor, the State Treasurer and the Director of the
5 Division of Budget and Accounting in the Department of the Treasury,
6 or any two of these officials, herein referred to as "the issuing
7 officials," are authorized to carry out the provisions of this act relating
8 to the issuance of bonds, and shall determine all matters in connection
9 therewith subject to the provisions of this act. If an issuing official is
10 absent from the State or incapable of acting for any reason, the powers
11 and duties of that issuing official shall be exercised and performed by
12 the person authorized by law to act in an official capacity in the place
13 of that issuing official.

14

15 8. Bonds issued in accordance with the provisions of this act shall
16 be direct obligations of the State of New Jersey, and the faith and
17 credit of the State are pledged for the payment of the interest thereon
18 when due and for the payment of the principal thereof at maturity.
19 The principal of and interest on the bonds shall be exempt from
20 taxation by the State or by any county, municipality or other taxing
21 district of the State.

22

23 9. The bonds shall be signed in the name of the State by the
24 Governor or by his facsimile signature, under the Great Seal of the
25 State, which seal may be by facsimile or by way of any other form of
26 reproduction on the bonds, and attested by the manual or facsimile
27 signature of the Secretary of State, or an assistant Secretary of State,
28 and shall be countersigned by the facsimile signature of the Director
29 of the Division of Budget and Accounting in the Department of the
30 Treasury and may be manually authenticated by an authenticating
31 agent or bond registrar, as the issuing officials shall determine.
32 Interest coupons, if any, attached to the bonds shall be signed by the
33 facsimile signature of the director. The bonds may be issued
34 notwithstanding that an issuing official signing them or whose manual
35 or facsimile signature appears thereon has ceased to hold office at the
36 time of issuance or at the time of the delivery of the bonds to the
37 purchaser thereof.

38

39 10. a. The bonds shall recite that they are issued for the purposes
40 set forth in section 5 of this act, that they are issued pursuant to this
41 act, and that this act was submitted to the people of the State at the
42 general election held in the month of November, 1994 and that this act
43 was approved by a majority of the legally qualified voters of the State
44 voting thereon at the election. This recital shall be conclusive
45 evidence of the validity of the bonds and of the authority of the State
46 to issue them. Any bonds containing this recital shall, in any suit,

1 action or proceeding involving their validity, be conclusively deemed
2 to be fully authorized by this act and to have been issued, sold,
3 executed and delivered in conformity herewith and with all other
4 provisions of laws applicable hereto, and shall be incontestable for any
5 cause.

6 b. The bonds shall be issued in the denominations and in the form
7 or forms, whether coupon, fully-registered or book-entry, and with or
8 without provisions for the interchangeability thereof, as may be
9 determined by the issuing officials.

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11 11. When the bonds are issued from time to time, the bonds of
12 each issue shall constitute a separate series to be designated by the
13 issuing officials. Each series of bonds shall bear the rate or rates of
14 interest as may be determined by the issuing officials, which interest
15 shall be payable semiannually; except that the first and last interest
16 periods may be longer or shorter, in order that intervening semiannual
17 payments may be at convenient dates.

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19 12. The bonds shall be issued and sold at such price or prices and
20 under such terms, conditions and regulations, as the issuing officials
21 may prescribe, after notice of the sale, published at least once in at
22 least three newspapers published in New Jersey, and at least once in
23 a publication carrying municipal bond notices and devoted primarily to
24 financial news, published in New Jersey or in the City of New York,
25 the first notice to appear at least five days prior to the day of bidding.
26 The notice of sale may contain a provision to the effect that any or all
27 bids in pursuance thereof may be rejected. In the event of rejection or
28 of failure to receive any acceptable bid, the issuing officials, at any
29 time within 60 days from the date of the advertised sale, may sell the
30 bonds at a private sale at such price or prices and under such terms
31 and conditions as the issuing officials may prescribe. The issuing
32 officials may sell all or part of the bonds of any series as issued to any
33 State fund or to the federal government or any agency thereof, at a
34 private sale, without advertisement.

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36 13. Until permanent bonds are prepared, the issuing officials may
37 issue temporary bonds in such form and with such privileges to their
38 registration and exchange for permanent bonds as may be determined
39 by the issuing officials.

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41 14. The proceeds from the sale of the bonds shall be paid to the
42 State Treasurer and shall be held by him in a separate fund, which shall
43 be known as the "Public School Facilities Bond Fund." The proceeds
44 of this fund shall be deposited in such depositories as may be selected
45 by the State Treasurer to the credit of the fund.

1 15. a. The moneys in the "Public School Facilities Bond Fund" are
2 specifically dedicated and shall be applied to the costs of the purposes
3 set forth in section 5 of this act, and all such moneys are appropriated
4 for those purposes, and no such moneys shall be expended for those
5 purposes, except as otherwise authorized in this act without the
6 specific appropriation thereof by the Legislature, but bonds may be
7 issued as herein provided, notwithstanding that the Legislature has not
8 adopted an act making a specific appropriation of any of the moneys.
9 Any act appropriating moneys from the "Public School Facilities Bond
10 Fund" shall identify the specific project or projects to be funded with
11 those moneys.

12 b. At any time prior to the issuance and sale of bonds under this
13 act, the State Treasurer is authorized to transfer from available money
14 in any fund of the treasury of the State to the credit of the "Public
15 School Facilities Bond Fund" the sum or sums as the State Treasurer
16 may deem necessary. The sum so transferred shall be returned to the
17 same fund of the treasury by the State Treasurer from the proceeds of
18 the sale of the first issue of bonds.

19 c. Pending their application to the purposes provided in this act,
20 the moneys in the "Public School Facilities Bond Fund" may be
21 invested and reinvested as are other trust funds in the custody of the
22 State Treasurer, in the manner provided by law. Net earnings received
23 from the investment or deposit of the "Public School Facilities Bond
24 Fund" shall be paid into the "Public School Facilities Bond Fund".
25

26 16. If any coupon bond or coupon or registered bond is lost,
27 mutilated or destroyed, a new bond or coupon shall be executed and
28 delivered of like tenor, in substitution for the lost, mutilated or
29 destroyed bond or coupon, upon the owner furnishing to the issuing
30 officials such evidence satisfactory to them of the loss, mutilation or
31 destruction of the bond or coupon; the ownership thereof; and the
32 security, indemnity and reimbursement for expenses connected
33 therewith, as the issuing officials may require.
34

35 17. The accrued interest received upon the sale of the bonds shall
36 be applied to the discharge of a like amount of interest upon the
37 bonds when due. Any expense incurred by the issuing officials for
38 advertising, engraving, printing, clerical, authenticating, registering,
39 legal or other services necessary to carry out the duties imposed upon
40 them by the provisions of this act shall be paid from the proceeds of
41 the sale of the bonds by the State Treasurer, upon the warrant of the
42 Director of the Division of Budget and Accounting in the Department
43 of the Treasury, in the same manner as other obligations of the State
44 are paid.
45

46 18. Bonds of each series issued hereunder shall mature, including

1 any sinking fund redemptions, not later than the 35th year from the
2 date of issue of the series, and in such amounts as shall be determined
3 by the issuing officials. The issuing officials may reserve to the State
4 by appropriate provision in the bonds of any series the power to
5 redeem any of the bonds prior to maturity at the price or prices and
6 upon the terms and conditions as may be provided in the bonds.

7
8 19. Any bond or bonds issued hereunder which are subject to
9 refinancing pursuant to the "Refunding Bond Act of 1985," P.L.1985,
10 c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.), shall no
11 longer be deemed to be outstanding, shall no longer constitute a direct
12 obligation of the State of New Jersey, and the faith and credit of the
13 State shall no longer be pledged to the payment of the principal of,
14 redemption premium, if any, and interest on the bonds, and the bonds
15 shall be secured solely by and payable solely from moneys and
16 government securities deposited in trust with one or more trustees or
17 escrow agents, which trustees and escrow agents shall be trust
18 companies or national or state banks having powers of a trust
19 company, located either within or without the State, as provided
20 herein, whenever there shall be deposited in trust with the trustees or
21 escrow agents, as provided herein, either moneys or government
22 securities, including government securities issued or held in book-entry
23 form on the books of the Department of Treasury of the United
24 States, the principal of and interest on which when due will provide
25 money which, together with the moneys, if any, deposited with the
26 trustees or escrow agents at the same time, shall be sufficient to pay
27 when due the principal of, redemption premium, if any, and interest
28 due and to become due on the bonds on or prior to the redemption
29 date or maturity date thereof, as the case may be; provided the
30 government securities shall not be subject to redemption prior to their
31 maturity other than at the option of the holder thereof. The State of
32 New Jersey hereby covenants with the holders of any bonds for which
33 government securities or moneys shall have been deposited in trust
34 with the trustees or escrow agents as provided in this section that,
35 except as otherwise provided in this section, neither the government
36 securities nor moneys so deposited with the trustees or escrow agents
37 shall be withdrawn or used by the State for any purpose other than,
38 and shall be held in trust for, the payment of the principal of,
39 redemption premium, if any, and interest to become due on the bonds;
40 provided that any cash received from the principal or interest payments
41 on the government securities deposited with the trustees or escrow
42 agents, to the extent the cash will not be required at any time for that
43 purpose, shall be paid over to the State, as received by the trustees or
44 escrow agents, free and clear of any trust, lien, pledge or assignment
45 securing the bonds; and to the extent the cash will be required for that
46 purpose at a later date, shall, to the extent practicable and legally

1 permissible, be reinvested in government securities maturing at times
2 and in amounts sufficient to pay when due the principal of, redemption
3 premium, if any, and interest to become due on the bonds on and prior
4 to the redemption date or maturity date thereof, as the case may be,
5 and interest earned from the reinvestments shall be paid over to the
6 State, as received by the trustees or escrow agents, free and clear of
7 any trust, lien or pledge securing the bonds. Notwithstanding anything
8 to the contrary contained herein: a. the trustees or escrow agents
9 shall, if so directed by the issuing officials, apply moneys on deposit
10 with the trustees or escrow agents pursuant to the provisions of this
11 section, and redeem or sell government securities so deposited with
12 the trustees or escrow agents, and apply the proceeds thereof to (1)
13 the purchase of the bonds which were refinanced by the deposit with
14 the trustees or escrow agents of the moneys and government securities
15 and immediately thereafter cancel all bonds so purchased, or (2) the
16 purchase of different government securities; provided however, that
17 the moneys and government securities on deposit with the trustees or
18 escrow agents after the purchase and cancellation of the bonds or the
19 purchase of different government securities shall be sufficient to pay
20 when due the principal of, redemption premium, if any, and interest on
21 all other bonds in respect of which the moneys and government
22 securities were deposited with the trustees or escrow agents on or
23 prior to the redemption date or maturity date thereof, as the case may
24 be; and b. in the event that on any date, as a result of any purchases
25 and cancellations of bonds or any purchases of different government
26 securities, as provided in this sentence, the total amount of moneys
27 and government securities remaining on deposit with the trustees or
28 escrow agents is in excess of the total amount which would have been
29 required to be deposited with the trustees or escrow agents on that
30 date in respect of the remaining bonds for which the deposit was made
31 in order to pay when due the principal of, redemption premium, if any,
32 and interest on the remaining bonds, the trustees or escrow agents
33 shall, if so directed by the issuing officials, pay the amount of the
34 excess to the State, free and clear of any trust, lien, pledge or
35 assignment securing the refunding bonds.

36
37 20. Refunding bonds issued pursuant to P.L.1985, c.74 as amended
38 by P.L.1992, c.182 (C.49:2B-1 et seq.) may be consolidated with
39 bonds issued pursuant to section 6 of this act or with bonds issued
40 pursuant to any other act for purposes of sale.

41
42 21. To provide funds to meet the interest and principal payment
43 requirements for the bonds issued under this act and outstanding, there
44 is appropriated in the order following:

45 a. Revenue derived from the collection of taxes under the "Sales
46 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much

1 thereof as may be required; and

2 b. If, at any time, funds necessary to meet the interest and principal
3 payments on outstanding bonds issued under this act, are insufficient
4 or not available, there shall be assessed, levied and collected annually
5 in each of the municipalities of the counties of this State, a tax on the
6 real and personal property upon which municipal taxes are or shall be
7 assessed, levied and collected, sufficient to meet the interest on all
8 outstanding bonds issued hereunder and on the bonds proposed to be
9 issued under this act in the calendar year in which the tax is to be
10 raised and for the payment of bonds falling due in the year following
11 the year for which the tax is levied. The tax shall be assessed, levied
12 and collected in the same manner and at the same time as other taxes
13 upon real and personal property. The governing body of each
14 municipality shall pay to the treasurer of the county in which the
15 municipality is located, on or before December 15 in each year, the
16 amount of tax herein directed to be assessed and levied, and the
17 county treasurer shall pay the amount of the tax to the State Treasurer
18 on or before December 20 in each year.

19 If on or before December 31 in any year, the issuing officials, by
20 resolution, determine that there are moneys in the General Fund
21 beyond the needs of the State, sufficient to meet the principal of bonds
22 falling due and all interest payable in the ensuing calendar year, the
23 issuing, officials shall file the resolution in the office of the State
24 Treasurer, whereupon the State Treasurer shall transfer the moneys to
25 a separate fund to be designated by him, and shall pay the principal and
26 interest out of that fund as the same shall become due and payable, and
27 the other sources of payment of the principal and interest provided for
28 in this section shall not then be available, and the receipts for the year
29 from the tax specified in subsection a. of this section shall be
30 considered part of the General Fund, available for general purposes.
31

32 22. Should the State Treasurer by December 31 of any year deem
33 it necessary, because of insufficiency of funds collected from the
34 sources of revenues as provided in this act, to meet the interest and
35 principal payments for the year after the ensuing year, then the State
36 Treasurer shall certify to the Director of the Division of Budget and
37 Accounting in the Department of the Treasury the amount necessary
38 to be raised by taxation for those purposes, which is to be assessed,
39 levied and collected for and in the ensuing calendar year. The director
40 shall, on or before March 1 following, calculate the amount in dollars
41 to be assessed, levied and collected in each county as herein set forth.
42 This calculation shall be based upon the corrected assessed valuation
43 of each county for the year preceding the year in which the tax is to be
44 assessed, but the tax shall be assessed, levied and collected upon the
45 assessed valuation of the year in which the tax is assessed and levied.
46 The director shall certify the amount to the county board of taxation

1 and the treasurer of each county. The county board of taxation shall
 2 include the proper amount in the current tax levy of the several taxing
 3 districts of the county in proportion to the ratables as ascertained for
 4 the current year.

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 6 23. For the purpose of complying with the provisions of the State
 7 Constitution, this act shall be submitted to the people at the general
 8 election to be held in the month of November, 1994. To inform the
 9 people of the contents of this act, it shall be the duty of the Secretary
 10 of State, after this section takes effect, and at least 60 days prior to the
 11 election, to cause this act to be published in at least 10 newspapers
 12 published in the State and to notify the clerk of each county of this
 13 State of the passage of this act, and the clerks respectively, in
 14 accordance with the instructions of the Secretary of State, shall have
 15 each of the ballots printed as follows:

16 If you approve the act entitled below, make a cross (x), plus (+), or
 17 check (o) mark in the square opposite the word "Yes."

18 If you disapprove the act entitled below, make a cross (x), plus (+),
 19 or check (o) mark in the square opposite the word "No."

20 If voting machines are used, a vote of "Yes" or "No" shall be
 21 equivalent to these markings respectively.

	YES	<p style="text-align: center;">PUBLIC SCHOOL FACILITIES BOND ISSUE</p> <p>Should the "Public School Facilities Bond Act of 1994" which authorizes the State to issue bonds in the amount of \$250,000,000 for the purpose of providing financial aid to local school districts for the construction, renovation or repair of public school facilities; providing the ways and means to pay the interest on these bonds and also to pay and discharge the principal thereof, be approved?</p>
	NO	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of \$250,000,000 in bonds, to be used to provide \$60,000,000 of grants for the construction of facilities for comprehensive kindergarten and pre-kindergarten programs in disadvantaged districts and a minimum of \$190,000,000 for a revolving loan program for the construction, renovation, alteration or repair of public school buildings.</p>

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 45 The fact and date of the approval or passage of this act, as the case

1 may be, may be inserted in the appropriate place after the title in the
2 ballot. No other requirements of law as to notice or procedure, except
3 as herein provided, need be adhered to.

4 The votes cast for and against the approval of this act, by ballot or
5 voting machine, shall be counted and the result thereof returned by the
6 election officer, and a canvass of the election had in the same manner
7 as is provided for by law in the case of the election of a Governor, and
8 the approval or disapproval of this act so determined shall be declared
9 in the same manner as the result of an election for a Governor, and if
10 there is a majority of all votes cast for and against it at the election in
11 favor of the approval of this act, then all the provisions of this act not
12 made effective theretofore shall take effect forthwith.

13
14 24. There is appropriated the sum of \$5,000 to the Department of
15 State for expenses in connection with the publication of notice
16 pursuant to section 23 of this act.

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18 25. The commissioner shall submit to the State Treasurer and the
19 commission with the department's annual budget request a plan
20 adopted in conjunction with the authority for the expenditure of funds
21 from the "Public School Facilities Bond Fund" for the upcoming fiscal
22 year. This plan shall include the following information: a performance
23 evaluation of the expenditures made from the fund to date; a
24 description of programs planned during the upcoming fiscal year; a
25 copy of the regulations in force governing the operations of programs
26 that are financed, in part or in whole, by funds from the "Public School
27 Facilities Bond Fund;" and an estimate of expenditures for the
28 upcoming fiscal year.

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30 26. Immediately following the submission to the Legislature of the
31 Governor's annual budget message, the commissioner shall submit to
32 the General Assembly Education Committee, the Senate Education
33 Committee, or their successors, and the Joint Budget Oversight
34 Committee, or its successor, a copy of the plan called for under
35 section 25 of this act, together with such changes therein as may have
36 been required by the Governor's budget message.

37
38 27. No less than 30 days prior to entering into any contract, lease,
39 obligation, or agreement to effectuate the purposes of this act, the
40 commissioner shall report to and consult with the Joint Budget
41 Oversight Committee, or its successor.

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43 28. This section and sections 23 and 24 of this act shall take effect
44 immediately and the remainder of the act shall take effect as provided
45 in section 23.

STATEMENT

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3 This bill authorizes the issuance of general obligation bonds of this
4 State in the amount of \$250,000,000 following approval by the voters
5 in the November, 1994 general election. Under the bill's provisions,
6 the proceeds of the bonds are to be used to provide financial ass
7 instance to local school districts for the construction, renovation,
8 repair or alteration of public school buildings and will be allocated in
9 the following manner:

10 (1) A minimum of \$190,000,000 of the bond revenues would be
11 used to provide the principal for a revolving loan fund in the
12 Department of Education.

13 (2) A maximum of \$60,000,000 for grants to socioeconomically
14 and geographically disadvantaged school districts for the construction
15 of facilities for comprehensive pre-kindergarten and full day
16 kindergarten programs. Of the \$60,000,000, \$30,000,000 shall be
17 used for grants to special needs districts in the amount of at least
18 \$1,000,000 per grant to be used to construct two classrooms, a room
19 for social services and a community meeting room in each district.
20 The remainder of the grant funds will be allocated among
21 disadvantaged districts, including the special needs districts, in
22 increments of \$250,000 per additional classroom, according to their
23 respective enrollments.

24 The loan funds are to be allocated on the basis of a facilities needs
25 assessment, conducted by the State Board of Education.

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30 Authorizes issuance of \$250 million in general obligation bonds to help
31 school districts finance construction and renovation of school
32 buildings; appropriates \$5,000.