

SENATE, No. 2289

STATE OF NEW JERSEY

INTRODUCED DECEMBER 1, 1997

By Senator BARK

1 AN ACT creating grant and loan funds for public school facilities,
2 supplementing Title 18A of the New Jersey Statutes and amending
3 various parts of the statutory law.

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

7
8 1. (New section) This act shall be known and may be cited as the
9 "Public School Facilities Funding Act of 1998."

10
11 2. (New section) The Legislature finds and declares that public
12 school districts throughout this State have a critical and urgent need
13 to construct new facilities and to renovate and repair aging and
14 deteriorating school buildings in order to provide adequate classroom
15 space to implement the requirements of the new core curriculum
16 content standards; that the State Supreme Court has recently
17 reaffirmed the constitutional obligation of the State to provide
18 adequate public school facilities to all children; that it is equally
19 imperative that each school building provide a safe and healthful
20 environment for its pupils; and that the establishment of grant and
21 revolving loan funds for public school construction will help ensure
22 that these objectives are attained.

23
24 3. (New section) As used in this act:
25 "Abbott district" means one of the 28 urban districts in district
26 factor groups A and B specifically identified in the appendix to
27 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
28 Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394);

29 "Authority" means the New Jersey Educational Facilities Authority
30 established pursuant to N.J.S.18A:72A-1 et seq.;

31 "Board of education" means the board of education of a local
32 school district, a regional school district, a county vocational school
33 district or a county special services school district;

34 "Bonds" mean the bonds authorized to be issued, or issued under

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 this act;

2 "Commissioner" means the Commissioner of Education;

3 "Construction and renovation" mean, in addition to the usual
4 meanings thereof, the designing, engineering, financing, extension,
5 repair, remodeling, rehabilitation, alteration or conversion, or any
6 combination thereof, of a public school building or any part thereof;

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

26 "Department" means the Department of Education;

27 "Local school district" means any school district which is operated
28 under the provisions of Title 18A of the New Jersey Statutes and
29 which is responsible for the provision of free public education to all
30 children;

31 "Public school" means a school, under collegiate grade, which is
32 operated by a local school district; and

33 "Public school facility" means any school building owned or
34 acquired under an existing lease purchase agreement by a board of
35 education and the necessary attendant related facilities and equipment
36 of a board of education used for instructional purposes and for
37 community needs.

38

39 4. (New section) There is hereby created a special fund in the New
40 Jersey Educational Facilities Authority, established pursuant to N.J.S.
41 18A:72A-1 et seq., which shall be entitled the "Public School Facilities
42 Grant Fund," hereinafter referred to as the "grant fund." The grant
43 fund shall be maintained in a separate account and administered by the
44 authority to carry out the provisions of this act. The fund shall consist
45 of:

46 a. the proceeds from the sale of bonds as specified under

1 subsection a. of section 5 of the "Public School Facilities Bond Act of
2 1998," P.L. c. (C.) (now pending before the Legislature as Senate
3 Bill No. of 1997);

4 b. all moneys appropriated by the State for the purposes of the
5 grant fund; and

6 c. all interest and investment earnings received on moneys in the
7 fund.

8

9 5. (New section) The grant fund shall be used to provide grants:

10 a. to be awarded to the board of education of each Abbott district
11 on a per-pupil basis for the cost of construction and renovation of
12 public school facilities for early childhood programs;

13 b. to be awarded to boards of education of Abbott districts on the
14 basis of a facilities needs assessment for the cost of construction and
15 renovation of public school facilities. The State Board of Education
16 may establish the maximum amount of a grant to be awarded under
17 this subsection.

18

19 6. (New section) a. Any board of education of an Abbott district
20 may determine, by resolution, to apply for a grant from the grant fund.
21 Upon adoption of that resolution, the board shall file an application
22 with the Commissioner of Education, which application shall include
23 a complete description of the project. Upon receipt of the application,
24 the commissioner shall evaluate the conditions in the district in the
25 context of the selection criteria established pursuant to section 9 of
26 this act. The commissioner shall report his findings to the State Board
27 of Education and may include in the report a recommendation as to the
28 amount, if any, of the grant proposed with respect to the school
29 district.

30 b. The State Board of Education shall review the commissioner's
31 report and, by resolution, approve or disapprove a district's eligibility
32 for a grant. For each eligible district, the board shall establish the
33 amount of the grant. The board shall forward a copy of the resolution
34 along with the amount of the grant to the authority.

35 c. The State board shall submit to the Legislature a copy of the
36 resolution along with the amount of the grant. If the Legislature does
37 not disapprove the grant by the adoption of a concurrent resolution
38 within 60 days, the grant shall be deemed to be approved.

39 d. Each grant awarded under this act shall be contingent upon the
40 recipient board of education entering into a contract or contracts for
41 the commencement of construction or renovation of the public school
42 facility within one year of the date on which the funds were made
43 available.

44

45 7. (New section) a. There is hereby created a special fund in the
46 authority which shall be entitled the "Public School Facilities Loan

1 Fund," hereinafter referred to as the "loan fund." The loan fund shall
2 be maintained in a separate account and administered by the authority
3 as a nonlapsing revolving fund for carrying out the provisions of this
4 act. The loan fund shall consist of:

5 (1) all moneys appropriated by the State for the purposes of the
6 fund;

7 (2) all moneys received from the issuance of bonds or notes
8 pursuant to section 13 of this act; and

9 (3) all interest and investment earnings received on moneys in the
10 fund and sums received as repayment of principal and interest on
11 outstanding loans made by the fund.

12 b. The authority shall establish reserve and guarantee funds for the
13 purposes of this act, which shall consist of:

14 (1) the proceeds from the sale of bonds as specified under
15 subsection b. of section 5 of the "Public School Facilities Bond Act of
16 1998," P.L. c. (C.) (now pending before the Legislature as Senate
17 Bill No. of 1997);

18 (2) all interest and investment earnings received on moneys in the
19 funds; and

20 (3) all moneys appropriated by the State for the purposes of the
21 reserve and guarantee funds.

22 The reserve fund shall be used by the authority to secure debt
23 issued by the authority, and the guarantee fund shall be used by the
24 authority to secure debt issued by a school district.

25

26 8. (New section) The loan fund shall be used to make direct low-
27 interest loans to boards of education for the cost of the construction
28 and renovation of public school facilities.

29

30 9. (New section) In order to ensure the most effective utilization
31 of the moneys in the grant and loan funds, the Commissioner of
32 Education shall establish a list of selection criteria for boards of
33 education applying for a grant or loan, taking into consideration all of
34 the factors which impact on the ability of each school district to
35 provide suitable facilities for a thorough and efficient education and to
36 implement the requirements of the core curriculum content standards,
37 including the number of unhoused pupils, health and safety needs, the
38 number of years on split or curtailed sessions, the rate of pupil
39 population increase, the adequacy of existing or proposed facilities,
40 plans for use by the community or other social service agencies, the
41 school tax rate of the district, the equalized valuation per pupil of the
42 district, and any other factors which the State Board of Education
43 deems necessary or appropriate.

44

45 10. (New section) a. Notwithstanding the provisions of
46 N.J.S.18A:20-4.2, a board of education may determine, by resolution,

1 to apply to borrow money from the loan fund. Upon adoption of the
2 resolution, the board of education shall file an application with the
3 Commissioner of Education, which application shall include a
4 complete description of the project. Upon receipt of the application,
5 the commissioner shall evaluate the conditions in the district in the
6 context of the selection criteria established pursuant to section 9 of
7 this act. The commissioner shall report his findings to the State Board
8 of Education and may include in the report a recommendation as to
9 the amount, if any, of the loan proposed with respect to the school
10 district.

11 b. The State Board of Education shall review the commissioner's
12 reports, and, by resolution, approve or disapprove a local board's
13 eligibility for a loan. For each local board which is approved for
14 funding, the State board shall establish the amount of the loan. The
15 State board shall forward a copy of the resolution along with the
16 amount of the loan to the authority. The authority shall establish the
17 repayment schedule which shall be appropriate for the life of the
18 project to be financed, but in no event in excess of 25 years, and the
19 interest rate.

20 c. The authority shall submit to the Legislature a copy of the
21 resolution along with the amount of the loan, the repayment schedule
22 and the interest rate which has been determined for each board. If the
23 Legislature does not disapprove the loan by the adoption of a
24 concurrent resolution within 60 days, the loan shall be deemed to be
25 approved.

26 d. Each loan awarded under this act shall be contingent upon the
27 recipient board of education entering into a contract or contracts for
28 the commencement of construction or renovation of the public school
29 facility within one year of the date on which the funds were made
30 available.

31

32 11. (New section) a. Each board of education which receives a
33 loan provided pursuant to this act shall include an amount equal to the
34 amount required for the repayment of the interest and principal of the
35 loan in its annual budget for the period established by the authority for
36 the repayment of the loan. The district shall receive State aid for debt
37 service pursuant to section 26 of P.L.1996, c.138 (C.18A:7F-26).

38 b. In addition to the amount of taxes determined by the legal voters
39 of the district at the annual school election, the secretary of the board
40 of education shall certify the amount required for the repayment of the
41 interest and principal of the loan in the same manner required for
42 interest and debt redemption charges pursuant to N.J.S.18A:22-33,
43 and the amount so certified shall be included in the taxes assessed,
44 levied and collected in the municipality or municipalities comprising
45 the district.

1 12. (New section) Any board of education shall be eligible to
2 receive an additional loan pursuant to this act notwithstanding that the
3 board has received a previous loan, provided that the additional loan
4 is in conformity with the selection criteria established pursuant to
5 section 9 of this act.

6
7 13. (New section) a. The New Jersey Educational Facilities
8 Authority shall from time to time issue bonds or notes in an amount
9 sufficient to finance the loans made to boards of education under this
10 act and to finance the administrative costs associated with the issuance
11 of the bonds or notes. The authority shall issue the bonds or notes in
12 such manner as it shall determine in accordance with this provisions of
13 this act and the "New Jersey Educational Facilities Authority Law,"
14 N.J.S.18A:72A-1 et seq.

15 b. Bonds or notes issued pursuant to this act shall not be in any
16 way a debt or liability of the State or of any political subdivision
17 thereof other than the authority and shall not create or constitute any
18 indebtedness, liability or obligation of the State or of any political
19 subdivision thereof, or be or constitute a pledge of the faith and credit
20 of the Sate or of any political subdivision thereof, but all bonds or
21 notes, unless funded or refunded by bonds or notes of the authority,
22 shall be payable solely from revenues or funds pledged or available for
23 their payment as authorized by this act. Each bond shall contain on its
24 face a statement to the effect that the authority is obligated to pay the
25 principal thereof, redemption premium, if any, or the interest thereon
26 only from revenues or funds of the authority and that neither the State
27 nor any political subdivision thereof is obligated to pay the principal
28 thereof, redemption premium, if any, or interest thereon and that
29 neither the faith and credit nor the taxing power of the State or of any
30 political subdivision thereof is pledged to the payment of the principal
31 of, redemption premium, if any, or the interest on the bonds.

32
33 14. N.J.S.18A:72A-1 is amended to read as follows:

34 18A:72A-1. It is hereby declared that a serious public emergency
35 exists affecting and threatening the welfare, comfort, health, safety and
36 prosperity of the people of the state and resulting from the fact that
37 financial resources are lacking with which to construct required
38 dormitory and other educational facilities at public and private
39 institutions of higher education and to provide for public school
40 facility projects; that it is essential that this and future generations of
41 youth be given the fullest opportunity to learn and to develop their
42 intellectual and mental capacities; that it is essential that institutions
43 for higher education and boards of education within the state be
44 provided with appropriate additional means to assist such youth in
45 achieving the required levels of learning and development of their
46 intellectual and mental capacities; that it is essential that all resources

1 of the state be employed in order to meet the tremendous demand for
2 higher educational opportunities and public school facilities; that all
3 institutions of higher education in the state, both public and private,
4 and all public school facilities are an integral part of the total
5 educational effort in the state for providing pre-kindergarten through
6 higher educational opportunities, and that it is the purpose of this
7 chapter to provide a measure of assistance and an alternative method
8 to enable institutions of higher education and boards of education in
9 the state to provide the facilities which are sorely needed to
10 accomplish the purposes of this chapter, all to the public benefit and
11 good, to the extent and manner provided herein.

12 (cf: N.J.S.18A:72A-1)

13

14 15. N.J.S.18A:72A-3 is amended to read as follows:

15 18A:72A-3. As used in this act, the following words and terms
16 shall have the following meanings, unless the context indicates or
17 requires another or different meaning or intent:

18 "Authority" means the New Jersey Educational Facilities Authority
19 created by this chapter or any board, body, commission, department
20 or officer succeeding to the principal functions thereof or to whom the
21 powers conferred upon the authority by this chapter shall be given by
22 law;

23 "Bond" means bonds or notes of the authority issued pursuant to
24 this chapter;

25 "Dormitory" means a housing unit with necessary and usual
26 attendant and related facilities and equipment;

27 "Educational facility" means a structure suitable for use as a
28 dormitory, dining hall, student union, administration building,
29 academic building, library, laboratory, research facility, classroom,
30 athletic facility, health care facility, teaching hospital, and parking
31 maintenance storage or utility facility and other structures or facilities
32 related thereto or required or useful for the instruction of students or
33 the conducting of research or the operation of an institution for higher
34 education, and the necessary and usual attendant and related facilities
35 and equipment, but shall not include any facility used or to be used for
36 sectarian instruction or as a place for religious worship;

37 "Emerging needs program" means a program at one or more public
38 or private institutions of higher education directed to meeting new and
39 advanced technology needs or to supporting new academic programs
40 in science and technology;

41 "Higher education equipment" means any property consisting of, or
42 relating to, scientific, engineering, technical, computer,
43 communications or instructional equipment;

44 "Participating college" means a public institution of higher
45 education or private college which, pursuant to the provisions of this
46 chapter, participates with the authority in undertaking the financing

1 and construction or acquisition of a project;

2 "Project" means a dormitory or an educational facility or any
3 combination thereof or a public school facility;

4 "Private college" means an institution for higher education other
5 than a public college, situated within the State and which, by virtue of
6 law or charter, is a nonprofit educational institution empowered to
7 provide a program of education beyond the high school level;

8 "Private institution of higher education" means independent colleges
9 or universities incorporated and located in New Jersey, which by virtue
10 of law or character or license, are nonprofit educational institutions
11 authorized to grant academic degrees and which provide a level of
12 education which is equivalent to the education provided by the State's
13 public institutions of higher education as attested by the receipt of and
14 continuation of regional accreditation by the Middle States Association
15 of Colleges and Schools, and which are eligible to receive State aid;

16 "Public institution of higher education" means Rutgers, The State
17 University, the State colleges, the New Jersey Institute of Technology,
18 the University of Medicine and Dentistry of New Jersey, the county
19 colleges and any other public university or college now or hereafter
20 established or authorized by law;

21 "Public school facility" means any school building owned or
22 acquired under an existing lease purchase agreement by a board of
23 education and the necessary and attendant related facilities and
24 equipment of a board of education used for instructional purposes and
25 for community.

26 "University" means Rutgers, The State University.

27 (cf: P.L.1993, c.136, s.3)

28

29 16. N.J.S.18A:72A-4 is amended to read as follows:

30 18A:72A-4. (a) There is hereby established in but not of the
31 Department of the Treasury a public body corporate and politic, with
32 corporate succession to be known as the "New Jersey educational
33 facilities authority." Notwithstanding this allocation, the authority shall
34 be independent of any supervision or control by the department or any
35 officer thereof. The authority shall constitute a political subdivision of
36 the State established as an instrumentality exercising public and
37 essential governmental functions, and the exercise by the authority of
38 the powers conferred by this chapter shall be deemed and held to be
39 an essential governmental function of the State.

40 (b) The authority shall consist of [~~seven~~] nine members, [~~two~~] four
41 of whom shall be the chairman of the Commission on Higher
42 Education, ex officio, and the State Treasurer, ex officio, the
43 Commissioner of Education, ex officio, and the Commissioner of
44 Community Affairs, ex officio, or when so designated by them, their
45 deputies and five citizens of the State to be appointed by the Governor
46 with the advice and consent of the Senate for terms of five years;

1 provided that the terms of the members first appointed shall be
2 arranged by the Governor so that one of such terms shall expire on
3 April 30 in each successive year ensuing after such appointments. Each
4 member shall hold office for the term of his appointment and shall
5 continue to serve during the term of his successor unless and until his
6 successor shall have been appointed and qualified. Any vacancy
7 among the members appointed by the Governor shall be filled by
8 appointment for the unexpired term only. A member of the authority
9 shall be eligible for reappointment.

10 (c) Any member of the authority appointed by the Governor may
11 be removed from office by the Governor for cause after a public
12 hearing.

13 (d) The members of the authority shall serve without
14 compensation, but the authority may reimburse its members for
15 necessary expenses incurred in the discharge of their duties.

16 (e) The authority, upon the first appointment of its members and
17 thereafter on or after April 30 in each year, shall annually elect from
18 among its members a chairman and a vice chairman who shall hold
19 office until April 30 next ensuing and shall continue to serve during the
20 terms of their respective successors unless and until their respective
21 successors shall have been appointed and qualified. The authority may
22 also appoint, retain and employ, without regard to the provisions of
23 Title 11, Civil Service, of the Revised Statutes, such officers, agents,
24 employees and experts as it may require, and it shall determine their
25 qualifications, terms of office, duties, services and compensation.

26 (f) The powers of the authority shall be vested in the members
27 thereof in office from time to time and a majority of the total
28 authorized membership of the authority shall constitute a quorum at
29 any meeting thereof. Action may be taken and motions and resolutions
30 adopted by the authority at any meeting thereof by the affirmative vote
31 of a majority of the members present, unless in any case the bylaws of
32 the authority shall require a larger number. No vacancy in the
33 membership of the authority shall impair the right of a quorum to
34 exercise all the rights and perform all the duties of the authority.

35 (g) Before the issuance of any bonds under the provisions of this
36 chapter, the members and the officer of the authority charged with the
37 handling of the authority's moneys shall be covered by a surety bond
38 or bonds in a penal sum of not less than \$25,000.00 per person
39 conditioned upon the faithful performance of the duties of their
40 respective offices, and executed by a surety company authorized to
41 transact business in the State of New Jersey as surety. Each such bond
42 shall be submitted to the attorney general for his approval and upon his
43 approval shall be filed in the Office of the Secretary of State prior to
44 the issuance of any bonds by the authority. At all times after the
45 issuance of any bonds by the authority the officer of the authority and
46 each member charged with the handling of the authority's moneys shall

1 maintain such surety bonds in full force and effect. All costs of such
2 surety bonds shall be borne by the authority.

3 (h) Notwithstanding any other law to the contrary, it shall not be
4 or constitute a conflict of interest for a trustee, director, officer or
5 employee of a participating college or a member or employee of a
6 board of education to serve as a member of the authority; provided
7 such trustee, director, officer, member or employee shall abstain from
8 discussion, deliberation, action and vote by the authority under this
9 chapter in specific respect to such participating college or board of
10 education of which such member is a trustee, director, officer, member
11 or employee.

12 (i) A true copy of the minutes of every meeting of the authority
13 shall be forthwith delivered by and under the certification of the
14 secretary thereof, to the Governor. No action taken at such meeting
15 by the authority shall have force or effect until 10 days after such copy
16 of the minutes shall have been so delivered. If, in said 10-day period,
17 the Governor returns such copy of the minutes with veto of any action
18 taken by the authority or any member thereof at such meeting, such
19 action shall be null and of no effect. If the Governor shall not return
20 the minutes within said 10-day period, any action therein recited shall
21 have force and effect according to the wording thereof. At any time
22 prior to the expiration of the said 10-day period, the Governor may
23 sign a statement of approval of any such action of the authority, in
24 which case the action so approved shall not thereafter be disapproved.
25 Notwithstanding the foregoing provisions of this subsection (i), with
26 regard to the sale and award of bonds of the authority, the authority
27 shall furnish to the Governor a certified copy of the minutes of the
28 meeting at which said bonds are sold and awarded forthwith upon the
29 taking of such action and the Governor shall indicate his approval or
30 disapproval of such action prior to the end of the business day upon
31 which such action of the authority was taken. The powers conferred
32 in this subsection (i) upon the Governor shall be exercised with due
33 regard for the rights of the holders of bonds of the authority at any
34 time outstanding, and nothing in, or done pursuant to, this subsection
35 (i) shall in any way limit, restrict or alter the obligation or powers of
36 the authority or any representative or officer of the authority to carry
37 out and perform in every detail each and every covenant, agreement or
38 contract at any time made or entered into by or on behalf of the
39 authority with respect to its bonds or for the benefit, protection or
40 security of the holders thereof.

41 (cf: P.L.1994, c.48, s.236)

42

43 17. N.J.S.18A:72A-8 is amended to read as follows:

44 18A:72A-8. (a) The authority is authorized from time to time to
45 issue its negotiable bonds for any corporate purpose. In anticipation
46 of the sale of such bonds the authority may issue negotiable bond

1 anticipation notes and may renew the same from time to time, but the
2 maximum maturity of any such note, including renewals thereof, shall
3 not exceed five years from the date of issue of the original note. Such
4 notes shall be paid from any revenues or other moneys of the authority
5 available therefor and not otherwise pledged, or from the proceeds of
6 sale of the bonds of the authority in anticipation of which they were
7 issued. The notes shall be issued in the same manner as the bonds.
8 Such notes and the resolution or resolutions authorizing the same may
9 contain any provisions, conditions or limitations which a bond
10 resolution of the authority may contain.

11 (b) Except as may otherwise be expressly provided by the
12 authority, every issue of its bonds or notes shall be general obligations
13 of the authority payable from any revenues or moneys of the authority,
14 subject only to any agreements with the holders of particular bonds or
15 notes pledging any particular revenues or moneys. Notwithstanding
16 that bonds and notes may be payable from a special fund, they shall be
17 fully negotiable within the meaning of Title 12A, the Uniform
18 Commercial Code, of the New Jersey Statutes, subject only to the
19 provisions of the bonds and notes for registration.

20 (c) The bonds may be issued as serial bonds or as term bonds, or
21 the authority, in its discretion, may issue bonds of both types. The
22 bonds shall be authorized by resolution of the members of the
23 authority and shall bear such date or dates, mature at such time or
24 times, not exceeding 50 years from their respective dates, bear interest
25 at such rate or rates, [not exceeding 6% per annum,] or at such
26 variable or formula rate or rates, be payable at such time or times, be
27 in such denominations, be in such form, either coupon or registered,
28 carry such conversion or registration privileges, have such rank or
29 priority, be executed in such manner, be payable in lawful money of
30 the United States of America at such place or places, and be subject
31 to such terms of redemption, as such resolution or resolutions may
32 provide. The bonds or notes may be sold at public or private sale for
33 such price or prices as the authority shall determine [, but which shall
34 not at the time of sale yield more than 6% per annum computed
35 according to standard tables of bond values]. Pending preparation of
36 the definitive bonds, the authority may issue interim receipts or
37 certificates which shall be exchanged for such definitive bonds.

38 (d) Any resolution or resolutions authorizing any bonds or any issue
39 of bonds may contain provisions, which shall be a part of the contract
40 with the holders of the bonds to be authorized, as to:

41 (i) pledging all or any part of the revenues of a project or any
42 revenue producing contract or contracts made by the authority with
43 any individual, partnership, corporation or association or other body,
44 public or private, to secure the payment of the bonds or of any
45 particular issue of bonds, subject to such agreements with bondholders
46 as may then exist;

1 (ii) the rentals, fees and other charges to be charged, and the
2 amounts to be raised in each year thereby, and the use and disposition
3 of the revenues;

4 (iii) the setting aside of reserves or sinking funds, and the regulation
5 and disposition thereof;

6 (iv) limitations on the right of the authority or its agent to restrict
7 and regulate the use of a project;

8 (v) limitations on the purpose to which the proceeds of sale of any
9 issue of bonds then or thereafter to be issued may be applied and
10 pledging such proceeds to secure the payment of the bonds or any
11 issue of the bonds;

12 (vi) limitations on the issuance of additional bonds, the terms upon
13 which additional bonds may be issued and secured and the refunding
14 of outstanding bonds;

15 (vii) the procedure, if any, by which the terms of any contract with
16 bondholders may be amended or abrogated, the amount of bonds the
17 holders of which must consent thereto, and the manner in which such
18 consent may be given;

19 (viii) limitations on the amount of moneys derived from a project to
20 be expended for operating, administrative or other expenses of the
21 authority; and

22 (ix) defining the acts or omissions to act which shall constitute a
23 default in the duties of the authority to holders of its obligations and
24 providing the rights and remedies of such holders in the event of a
25 default.

26 (e) Neither the members of the authority nor any person executing
27 the bonds or notes shall be liable personally on the bonds or notes or
28 be subject to any personal liability or accountability by reason of the
29 issuance thereof.

30 (f) The authority shall have power out of any funds available
31 therefor to purchase its bonds or notes. The authority may hold,
32 pledge, cancel or resell such bonds, subject to and in accordance with
33 agreements with bondholders.

34 (cf: N.J.S.18A:72A-8)

35

36 18. (New section) Not later than July 1, 2000, the Commissioner
37 of Education shall report to the Governor and Legislature on the effect
38 of the grant and loan programs established pursuant to this act.

39

40 19. (New section) In accordance with the "Administrative
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the State
42 Board of Education, in consultation with the authority, shall adopt
43 regulations for the implementation of this act, including standards for
44 construction and renovation progress and practices, fiscal controls,
45 accounting procedures and auditing of funds, and all other matters
46 which the board deems necessary.

1 grant and loan program.

2 The statutes of the New Jersey Educational Facilities Authority are
3 amended to permit the authority to provide grants and loans for public
4 school facilities and to expand membership of the authority to include
5 the Commissioner of Education and the Commissioner of Community
6 Affairs.

7

8

9

10

11 Establishes grant and loan funds in the New Jersey Educational
12 Facilities Authority to provide funds for public school construction
13 and renovation.