



State of New Jersey

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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

FORD M. SCUDDER
State Treasurer

July 28, 2017

Mr. Frank Haines
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex, P.O. Box 068
Trenton, New Jersey

Dear Mr. Haines:

Pursuant to your letter dated May 19, 2017, it was requested that I provide a written response to the questions posed by Chairman Schaer, Assemblyman Singleton and Assemblywoman Muoio following the May 17, 2017 hearing of the Assembly Budget Committee. The questions and their subsequent answers are as follows:

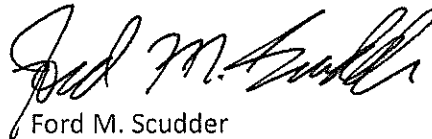
On May 11, 2017, the Economic Development Authority authorized \$300 million in bonds for the Statehouse Renovation Project. On the same day as the authorization, the State sold the bonds through a private placement. Please provide the terms of the bond sale, including the purchaser of the bonds, the interest rate, costs of issuance, the maturity schedule and the bond counsel(s).

Bonds for the Statehouse Renovation Project were sold in two tranches with RBC Capital Markets as the purchaser, And Chiesa, Shahinian & Giantomasi PC as bond counsel. Series A are taxable bonds with a variable interest rate that resets weekly with an initial rate of 2.79%. Series B are tax-exempt bonds with a variable interest rate that resets weekly with an initial rate of 1.74%. Both the Series A and Series B bonds are scheduled to mature on December 17, 2018. The costs of issuance totaled \$302,000.

The State Department of Education announced a state aid advance of \$8.5 million to the Lakewood school district. This district currently has an outstanding balance from a prior state aid advance. What is the current balance of the prior advance? How often can a school district receive a state aid advance if the school district has an outstanding balance from prior advance? Does the fiscal monitor or superintendent make the request for additional aid? How many districts have made requests for additional aid and what were the results to those requests?

As noted during the hearing, the Department of Education has the responsibility of overseeing the fiscal operations of the school districts, as well as managing the district deficit relief account from which these advances come. The following answer is provided in consultation with the Department. Pursuant to statute, N.J.S.A. 18A:7A-56, the Commissioner of Education recommends an advance of State Aid based on information received from the fiscal monitor appointed by the Commissioner. This statute does not limit the number of advances that may be provided, as the Commissioner makes recommendations deemed necessary to ensure the provision of a thorough and efficient education. The Lakewood school district has a loan balance of \$8.676 million as of June 30, 2017. There were two deficit relief requests totaling \$1,393,922 in fiscal year 2017. Elmer received \$825,561 and Hi-Nella received \$568,161.

Sincerely,

A handwritten signature in black ink, appearing to read "Ford M. Scudder". The signature is fluid and cursive, with the first name "Ford" being particularly prominent.

Ford M. Scudder
State Treasurer