

ASSEMBLY, No. 2312

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED FEBRUARY 2, 2012

Sponsored by:

Assemblyman ALBERT COUTINHO

District 29 (Essex)

Co-Sponsored by:

Assemblyman Diegnan

SYNOPSIS

Establishes a Community School Pilot Program in DOE to advance the construction of community school facilities projects in three pilot districts.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/11/2012)

1 **AN ACT** establishing a community school project pilot program in
2 the Department of Education, supplementing P.L.2000, c.72
3 (C.18A:7G-1 et al.), and amending N.J.S.18A:20-4.2 and
4 P.L.2009, c.90.

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

8
9 1. (New section) As used in this act:

10 “Community school project” means a school facilities project
11 included in the SDA 2011 Statewide Prioritization contained in the
12 March 2011 SDA Capital Program Report, that is approved by the
13 Commissioner of Education for construction by a redevelopment
14 entity with the inclusion of community design features.

15 “Development authority” means the New Jersey Schools
16 Development Authority established pursuant to section 3 of
17 P.L.2007, c.137 (C.52:18A-237).

18 “Financing authority” means the New Jersey Economic
19 Development Authority established pursuant to P.L.1974, c.80
20 (C.34:1B-1 et seq.).

21 “Pilot district” means the Camden, New Brunswick, and
22 Paterson School Districts.

23 “Redevelopment entity” means a redevelopment entity
24 authorized by a municipal governing body to implement plans and
25 carry out redevelopment projects in the municipality pursuant to the
26 “Local Redevelopment and Housing Law,” P.L.1992, c.79
27 (C.40A:12A-1 et al.).

28 “SDA district” means an SDA district as defined in section 3 of
29 P.L.2000, c.72 (C.18A:7G-3).

30
31 2. (New section) There is established a Community School
32 Project Pilot Program in the Department of Education. The purpose
33 of the pilot program is to advance the construction of school
34 facilities projects through a cost-effective construction model, while
35 at the same time creating critically-needed jobs.

36 Under the pilot program, the Commissioner of Education, in
37 consultation with the New Jersey Schools Development Authority,
38 shall select one school facilities project in each of the pilot districts,
39 that was included in the SDA 2011 Statewide Prioritization
40 contained in the March 2011 SDA Capital Program Report, for
41 construction by a redevelopment entity as a community school
42 project. The commissioner may authorize the inclusion of
43 community design features in a community school project.
44 Notwithstanding the provisions of section 5 of P.L.2000, c.72
45 (C.18A:7G-5) to the contrary, a community school project shall

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 have a State share that is less than 100%, and any community
2 design features approved by the commissioner for inclusion in the
3 project shall be financed by the pilot district.

4
5 3. (New section) a. A pilot district and the municipality that
6 comprises the pilot district may apply to the commissioner for the
7 designation of a school facilities project as a community school
8 project. The application shall be accompanied by resolutions
9 requesting the designation by the board of education of the pilot
10 district and the governing body of the municipality. A community
11 school project may be constructed by a redevelopment entity as a
12 single project or as part of a local economic development,
13 redevelopment, or community development project. The
14 application shall set forth:

15 (1) the State and local share proposed for the community school
16 project;

17 (2) a description of the community design features to be included
18 in the project;

19 (3) the name of the redevelopment entity to undertake the project
20 under the "Local Redevelopment and Housing Law," P.L.1992, c.79
21 (C.40A:12A-1 et al.);

22 (4) whether the community school project is to be constructed as
23 a single project or as part of a local economic development,
24 redevelopment, or community development project;

25 (5) if the community school project is to be constructed as part
26 of a local economic development, redevelopment, or community
27 development project, a description of how the project fits into a
28 redevelopment plan adopted or to be adopted by the municipal
29 governing body pursuant to section 7 of P.L.1992, c.79
30 (C.40A:12A-7); and

31 (6) the manner in which the local share of the community
32 school project will be financed.

33 b. The commissioner shall evaluate the application to
34 determine whether the school facilities project is suitable for
35 designation as a community school project based upon
36 consideration of the following factors:

37 (1) the critical need for the community school project evaluated
38 in accordance with the priority project categories established
39 pursuant to paragraph (2) of subsection m. of section 5 of P.L.2000,
40 c.72 (C.18A:7G-5);

41 (2) whether the community school project provides significant
42 social and economic benefits to the municipality, its neighborhoods,
43 and residents;

44 (3) if the community school project is to be constructed as part
45 of a local economic development, redevelopment, or community
46 development project, whether the community school project
47 furthers definite local objectives as to appropriate land uses, density
48 of population, and improved traffic and public transportation, public

1 utilities, recreational and community facilities, and other public
2 improvement;

3 (4) if the community school project is to be constructed as part
4 of a local economic development, redevelopment, or community
5 development project, whether the community school project is
6 consistent with the local development plan;

7 (5) the extent to which the community school project contains
8 community design features that can be used by the community;

9 (6) whether the redevelopment entity has the current capacity to
10 construct the community school project;

11 (7) whether the redevelopment entity has the appropriate prior
12 experience in developing similar types of projects;

13 (8) the availability of an appropriate financing mechanism for
14 the local share of the community school project; and

15 (9) the extent to which the local share of the community school
16 project reduces the State share of the final eligible costs of the
17 project.

18 c. The commissioner shall approve the inclusion of community
19 design features as part of the school facilities project if he finds that
20 the inclusion of the community design features would be conducive
21 to the usefulness and success of the project for both the students of
22 the district and the residents of the community. The commissioner
23 may condition the approval upon the adoption by the district of
24 policies suitable for assuring continuing community or educational
25 access to the community design features.

26 d. Upon the approval by the commissioner of a community
27 school project, the financing authority shall provide funding for the
28 State share of the final eligible costs of the community school
29 project from the aggregate principal amount of bonds authorized to
30 be issued for the State share of SDA district school facilities
31 projects pursuant to section 14 of P.L.2000, c.72 (C.18A:7G-14).
32 The funding shall be provided pursuant to an agreement among the
33 financing authority, the commissioner, the development authority,
34 the redevelopment entity, and the district which shall, in addition to
35 any other terms and conditions, set forth the terms for the
36 disbursement of the State share and provide for the monitoring of
37 the construction by the development authority.

38 e. Upon completion of a community school project by a
39 redevelopment entity, the pilot district shall submit to the
40 commissioner a plan to provide for the maintenance of the project.

41 f. The Urban Coordinating Council established pursuant to
42 section 45 of P.L.1996, c.62 (C.55:19-60) shall advise the
43 commissioner, the financing authority, the development authority,
44 the redevelopment entity, and the pilot districts on the potential
45 availability of funding for community school projects including, but
46 not limited to, sources of funds for acquisition, clearance, site
47 remediation, and assemblage of land and the development,

1 redevelopment, construction or rehabilitation of any structure or
2 improvement included in a project.

3
4 4. (New section) Upon the completion of a community school
5 project, the board of education of a pilot district may enter into a
6 contract with a nonprofit entity, including an approved charter
7 school, for the management, operation, and staffing of the
8 community school project. The nonprofit entity shall have
9 experience operating a school in a high-risk, low-income urban
10 district. The contract between the board of education and the
11 nonprofit entity shall be for a term of five years, shall be approved
12 by the commissioner, and shall be in accordance with any
13 guidelines for such contracts that may established by the
14 commissioner. The contract shall outline:

15 a. the educational goals of the community school project, the
16 curriculum to be offered, the methods for assessing whether the
17 students enrolled in the school are meeting the educational goals;

18 b. any testing and academic performance standards for the
19 community school project beyond those required by State law and
20 regulation; and

21 c. any other factors deemed significant by the commissioner.

22 A contract entered into pursuant to this section may renewed for
23 additional five-year periods at the discretion of the board of
24 education.

25
26 5. (New section) a. In the event that a community school
27 project is constructed as a single project, the local share of the
28 project may be financed through the issuance of school bonds or
29 through a lease purchase agreement pursuant to the provisions of
30 subsection f. of N.J.S.18A:20-4.2.

31 b. In the event that a community school project is constructed
32 as part of a local economic development, redevelopment, or
33 community development project, the local share of the project may
34 be financed through the issuance of school bonds, through a lease
35 purchase agreement, or through an incentive grant in accordance
36 with the provisions of the “New Jersey Economic Stimulus Act of
37 2009,” P.L.2009, c.90 (C.52:27D-489a et al.).

38
39 6. (New section) The provisions of the “Public School
40 Contracts Law,” N.J.S.18A:18A-1 et seq., shall not be applicable to
41 projects constructed by a redevelopment entity pursuant to the
42 provisions of this act.

43
44 7. (New section) Upon the completion of the community
45 school projects authorized pursuant to this act, the commissioner
46 shall submit to the Governor, and to the Legislature pursuant to
47 section 2 of P.L.1991, c.164 (C.52:14-19.1), a report which outlines
48 the success of the pilot program in advancing the cost-effective

1 construction of school facilities projects, and shall include a
2 recommendation on the expansion of the school construction model
3 used under the pilot program to other school districts and school
4 facilities projects.

5
6 8. N.J.S.18A:20-4.2 is amended to read as follows:

7 18A:20-4.2. The board of education of any school district may,
8 for school purposes:

9 (a) Purchase, take and condemn lands within the district and
10 lands not exceeding 50 acres in extent without the district but
11 situate in a municipality or municipalities adjoining the district, but
12 no more than 25 acres may be so acquired in any one such
13 municipality, without the district, except with the consent, by
14 ordinance, of such municipality;

15 (b) Grade, drain and landscape lands owned or to be acquired by
16 it and improve the same in like manner;

17 (c) Erect, lease for a term not exceeding 50 years, enlarge,
18 improve, repair or furnish buildings;

19 (d) Borrow money therefor, with or without mortgage; in the
20 case of a type II district without a board of school estimate, when
21 authorized so to do at any annual or special school election; and in
22 the case of a type II district having a board of school estimate, when
23 the amount necessary to be provided therefor shall have been fixed,
24 determined and certified by the board of school estimate; and in the
25 case of a type I district, when an ordinance authorizing expenditures
26 for such purpose is finally adopted by the governing body of a
27 municipality comprised within the district; provided, however, that
28 no such election shall be held nor shall any such resolution of a
29 school estimate board or ordinance of a municipal governing body
30 be introduced to authorize any lease of any building for a term
31 exceeding one year, until the proposed terms of such lease have
32 been reviewed and approved by the Commissioner of Education and
33 the Local Finance Board in the Department of Community Affairs;

34 (e) Construct, purchase, lease or otherwise acquire a building
35 with the federal government, the State, a political subdivision
36 thereof or any other individual or entity properly authorized to do
37 business in the State; provided that: (1) the noneducational uses of
38 the building are compatible with the establishment and operation of
39 a school, as determined by the Commissioner of Education; (2) the
40 portion of the building to be used as a school meets regulations of
41 the Department of Education; (3) the board of education has
42 complied with the provisions of law and regulations relating to the
43 selection and approval of sites; and (4) in the case of a lease, that
44 any lease in excess of five years shall be approved by the
45 Commissioner of Education and the Local Finance Board in the
46 Department of Community Affairs;

47 (f) Acquire, with the approval of either the commissioner, or
48 voters or board of school estimate, as applicable, improvements or

1 additions to school buildings through lease purchase agreements not
2 in excess of five years; or in the case of a community school project
3 approved by the commissioner pursuant to P.L. , c. (C.)
4 (pending before the Legislature as this bill), acquire by lease
5 purchase agreement that may be in excess of five years a site and
6 school building, provided that the site and building meet regulations
7 of the Department of Education and the New Jersey Schools
8 Development Authority, and that any lease purchase agreement in
9 excess of five years is approved by the Commissioner of Education
10 as in the best interest of the school district, and that the Local
11 Finance Board in the Department of Community Affairs determines
12 within 30 days that the cost and the financial terms and conditions
13 of the agreement are reasonable. The agreement shall be recorded
14 as an expenditure of the General Fund of the district. The
15 commissioner shall approve the agreement only upon a
16 demonstration by the district that the lease purchase payments and
17 any operating expenses related to the agreement can be included
18 within the district's tax levy growth limitation and will not result in
19 the need for approval by the voters or board of school estimate, as
20 appropriate, of additional spending proposals to maintain existing
21 instructional programs and extracurricular activities. If the
22 commissioner cannot approve the agreement, the board of education
23 may frame a separate question to authorize the lease purchase
24 agreement and obtain voter or board of school estimate approval to
25 enter into the agreement. A district may, without separate prior
26 approval of the commissioner, also acquire equipment through a
27 lease purchase agreement not in excess of five years or in the case
28 of a lease purchase agreement entered into for the acquisition of
29 school buses not in excess of 10 years, provided that the amount of
30 the first installment and each subsequent installment for the lease
31 purchase payments is included in the budget that is advertised and
32 submitted for approval to the voters of the district or the board of
33 school estimate, as appropriate. As used herein, a "lease purchase
34 agreement" refers to any agreement which gives the board of
35 education as lessee the option of purchasing the leased equipment
36 or improvements or additions to existing school buildings, or in the
37 case of a community school project approved pursuant to P.L. ,
38 c. (C.) (pending before the Legislature as this bill) the land and
39 school building, during or upon termination of the lease, with credit
40 toward the purchase price of all or part of rental payments which
41 have been made by the board of education in accordance with the
42 lease. As part of such a transaction, the board of education may
43 transfer or lease land or rights in land, including any building
44 thereon, after publicly advertising for proposals for the transfer for
45 nominal or fair market value, to the party selected by the board of
46 education, by negotiation or otherwise, after determining that the
47 proposal is in the best interest of the taxpayers of the district, to
48 construct or to improve and to lease or to own or to have ownership

1 interests in the site and the school building to be leased pursuant to
2 such lease purchase agreement, notwithstanding the provisions of
3 any other law to the contrary. The land and any building thereon
4 which is described in a lease purchase agreement entered into
5 pursuant to this amendatory act, shall be deemed to be and treated
6 as property of the school district, used for school purposes pursuant
7 to R.S.54:4-3.3, and shall not be considered or treated as property
8 leased to another whose property is not exempt, and shall not be
9 assessed as real estate pursuant to section 1 of P.L.1949, c.177
10 (C.54:4-2.3). Any lease purchase agreement authorized by this
11 section shall contain a provision making payments thereunder
12 subject to the annual appropriation of funds sufficient to meet the
13 required payments or shall contain an annual cancellation clause
14 and shall require all construction contracts let by public school
15 districts or let by developers or owners of property used for school
16 purposes to be competitively bid, pursuant to N.J.S.18A:18A-1 et
17 seq.;

18 (g) Establish with an individual or entity authorized to do
19 business in the State a tenancy in common, condominium,
20 horizontal property regime or other joint ownership arrangement on
21 a site contributed by the school district; provided the following
22 conditions are met:

23 (1) The individual or entity agrees to construct on the site, or
24 provide for the construction thereon, a building or buildings for use
25 of the board of education separately or jointly with the individual or
26 entity, which shall be subject to the joint ownership arrangement;

27 (2) The provision of the building shall be at no cost or at a
28 reduced cost to the board of education;

29 (3) The school district shall not make any payment for use of the
30 building other than its pro rata share of costs of maintenance and
31 improvements;

32 (4) The noneducational uses of the building are compatible with
33 the establishment and operation of a school, as determined by the
34 Commissioner of Education;

35 (5) The portion of the building to be used as a school, and the
36 site, meet regulations of the Department of Education; and

37 (6) Any such agreement shall be approved by the Commissioner
38 of Education and the Local Finance Board in the Department of
39 Community Affairs;

40 (h) Acquire through sale and lease-back textbooks and non-
41 consumable instructional materials provided that the sale price and
42 principal amount of the lease-back do not exceed the fair market
43 value of the textbooks and instructional materials and that the
44 interest rate applied in the lease-back is consistent with prevailing
45 market rates or is less.

46 (cf: P.L.2010, c.44, s.7)

1 9. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
2 read as follows:

3 3. As used in sections 3 through 18 of P.L.2009, c.90
4 (C.52:27D-489c et al.):

5 "Applicant" means a developer proposing to enter into a
6 redevelopment incentive grant agreement.

7 "Ancillary infrastructure project" means public structures or
8 improvements that are located in the public right-of-way outside the
9 project area of a redevelopment project, provided a developer or
10 municipal redeveloper has demonstrated that the redevelopment
11 project would not be economically viable without such
12 improvements.

13 "Authority" means the New Jersey Economic Development
14 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
15 4).

16 "Developer" means any person who enters or proposes to enter
17 into a redevelopment incentive grant agreement pursuant to the
18 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i). A
19 developer also may be a municipal government or a redevelopment
20 agency as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3).

21 "Director" means the Director of the Division of Taxation in the
22 Department of the Treasury.

23 "Eligible revenue" means the property tax increment and any
24 other incremental revenues set forth in section 11 of P.L.2009, c.90
25 (C.52:27D-489k).

26 "Incentive grant" means reimbursement of all or a portion of the
27 project financing gap of a redevelopment project through the State
28 or a local Economic Redevelopment and Growth Grant program
29 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
30 or C.52:27D-489e).

31 "Infrastructure improvements in the public right-of-way" mean
32 public structures or improvements located in the public right of way
33 that are located within a project area or that constitute an ancillary
34 infrastructure project.

35 "Municipal redeveloper" means a municipal government or a
36 redevelopment agency acting on behalf of a municipal government
37 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3) that is an
38 applicant for a redevelopment incentive grant agreement.

39 "Project area" means land or lands under common ownership or
40 control including through a redevelopment agreement with a
41 municipality or as otherwise established by a municipality.

42 "Project financing gap" means the part of the total
43 redevelopment project cost, including return on investment, that
44 remains to be financed after all other sources of capital have been
45 accounted for, including, but not limited to, developer contributed
46 capital, which shall not be less than 20 percent of the total project
47 cost, and investor or financial entity capital or loans for which the
48 developer, after making all good faith efforts to raise additional

1 capital, certifies that additional capital cannot be raised from other
2 sources. In the case of a community school project that is to be
3 constructed as part of a redevelopment project pursuant to the
4 provisions of P.L. , c. (C.) (pending before the Legislature as
5 this bill), “project financing gap” shall include the local share cost
6 of a community school project but shall not include the State share
7 cost of a community school project.

8 "Project revenue" means all rents, fees, sales, and payments
9 generated by a project, less taxes or other government payments.

10 "Property tax increment" means the amount obtained by:

11 (1) multiplying the general tax rate levied each year by the
12 taxable value of all the property assessed within a project area in
13 the same year, excluding any special assessments; and

14 (2) multiplying that product by a fraction having a numerator
15 equal to the taxable value of all the property assessed within the
16 project area, minus the property tax increment base, and having a
17 denominator equal to the taxable value of all property assessed
18 within the project area.

19 For the purpose of this definition, "property tax increment base"
20 means the aggregate taxable value of all property assessed which is
21 located within the redevelopment project area as of October 1st of
22 the year preceding the year in which the redevelopment incentive
23 grant agreement is authorized.

24 "Qualifying economic redevelopment and growth grant incentive
25 area" means Planning Area 1 (Metropolitan), Planning Area 2
26 (Suburban), or a center as designated by the State Planning
27 Commission; an area zoned for development pursuant to a master
28 plan adopted by the New Jersey Meadowlands Commission
29 pursuant to subsection (i) of section 6 of P.L.1968, c.404 (C.13:17-
30 6) or subject to a redevelopment plan adopted by the New Jersey
31 Meadowlands Commission pursuant to section 20 of P.L.1968,
32 c.404 (C.13:17-21); any land owned by the New Jersey Sports and
33 Exposition Authority, established pursuant to P.L.1971, c.137
34 (C.5:10-1 et seq.), within the boundaries of the Hackensack
35 Meadowlands District as delineated in section 4 of P.L.1968, c.404
36 (C.13:17-4); a pinelands regional growth area, a pinelands town
37 management area, a pinelands village, or a military and federal
38 installation area established pursuant to the pinelands
39 comprehensive management plan adopted pursuant to P.L.1979,
40 c.111 (C.13:18A-1 et seq.); a transit village, as determined by the
41 Commissioner of Transportation; and federally owned land
42 approved for closure under a federal Base Realignment Closing
43 Commission action.

44 "Redevelopment incentive grant agreement" means an agreement
45 between, (1) the State and the New Jersey Economic Development
46 Authority and a developer, or (2) a municipality and a developer, or
47 a municipal ordinance authorizing a project to be undertaken by a
48 municipal redeveloper, under which, in exchange for the proceeds

1 of an incentive grant, the developer agrees to perform any work or
2 undertaking necessary for a redevelopment project, including the
3 clearance, development or redevelopment, construction, or
4 rehabilitation of any structure or improvement of commercial,
5 industrial, residential, or public structures or improvements within a
6 qualifying economic redevelopment and growth grant incentive area
7 or a transit village.

8 "Redevelopment project" means a specific work or improvement,
9 including lands, buildings, improvements, real and personal
10 property or any interest therein, including lands under water,
11 riparian rights, space rights and air rights, acquired, owned,
12 developed or redeveloped, constructed, reconstructed, rehabilitated
13 or improved, undertaken by a developer within a project area and
14 any ancillary infrastructure project associated therewith.

15 "Redevelopment utility" means a self-liquidating fund created by
16 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
17 489l) to account for revenues collected and incentive grants paid
18 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
19 revenues dedicated to a redevelopment project.

20 "Revenue increment base" means the amounts of all eligible
21 revenues from sources within the redevelopment project area in the
22 calendar year preceding the year in which the redevelopment
23 incentive grant agreement is executed, as certified by the State
24 Treasurer for State revenues, and the chief financial officer of the
25 municipality for municipal revenues.

26 "Transit village" means a community with a bus, train, light rail,
27 or ferry station that has developed a plan to achieve its economic
28 development and revitalization goals and has been designated by
29 the New Jersey Department of Transportation as a transit village.

30 (cf: P.L. 2011, c.89, s.6)

31
32 10. This act shall take effect immediately.

33 34 35 STATEMENT

36
37 This bill establishes a Community School Project Pilot Program
38 in the Department of Education. The purpose of the pilot program
39 is to move the construction of school facilities projects forward by
40 creating a cost-effective construction model that, based on the
41 experience of the pilot program, could potentially be duplicated in
42 additional communities. At the same time, the construction of
43 school facilities projects under the pilot program will serve to create
44 jobs at a time when such jobs are critically needed.

45 Under the pilot program, the Commissioner of Education, in
46 consultation with the New Jersey Schools Development Authority,
47 will select in each of the pilot districts, one school facilities project
48 that was originally included in the SDA 2011 Statewide

1 Prioritization contained in the March 2011 SDA Capital Program
2 Report, for construction by a redevelopment entity as a community
3 school project. The pilot districts will be the Camden, New
4 Brunswick, and Paterson School Districts. A community school
5 project will be constructed by a redevelopment entity as either a
6 single project or as part of a larger local economic development,
7 redevelopment, or community development project. A community
8 school project will have a State share that is less than 100%, and the
9 commissioner may include community design features for inclusion
10 in the project which features will be financed locally.

11 A pilot district and the municipality that comprises the pilot
12 district may apply to the commissioner for the designation of a
13 school facilities project as a community school project. The
14 application will include the following information:

15 (1) the State and local share proposed for the community school
16 project;

17 (2) a description of the community design features to be included
18 in the project;

19 (3) the name of the redevelopment entity to undertake the
20 project;

21 (4) whether the community school project is to be constructed as
22 a single project or as part of a local economic development,
23 redevelopment, or community development project;

24 (5) if the community school project is to be constructed as part
25 of a local economic development, redevelopment, or community
26 development project, a description of how the project fits into a
27 redevelopment plan adopted or to be adopted by the municipal
28 governing body; and

29 (6) the manner in which the local share of the community
30 school project will be financed.

31 The bill establishes criteria to be used by the commissioner in
32 evaluating an application for the construction of a community
33 school project such as the critical need for the project, whether the
34 project provides significant social and economic benefits to the
35 municipality and its resident, the extent to which the project
36 includes community design features that can be used by the
37 community, whether the redevelopment entity has the capacity to
38 construct the community school project, the prior experience of the
39 redevelopment entity in developing similar types of projects, and
40 the availability of an appropriate financing mechanism for the local
41 share of the community school project.

42 Upon the approval by the commissioner of a community school
43 project, the New Jersey Economic Development Authority (EDA)
44 will provide the funding for the State's share of the project's final
45 eligible costs in accordance with an agreement among the EDA, the
46 commissioner, the New Jersey Schools Development Authority
47 (SDA), the redevelopment entity, and the district. The agreement

1 will set forth the terms for the disbursement of the State share and
2 provide for the monitoring of the construction by the SDA.

3 The bill provides that if a community school project is
4 constructed as a single project, the local share of the project may be
5 financed through the issuance of school bonds or through a lease
6 purchase agreement. In the event that a community school project
7 is constructed as part of a local economic development,
8 redevelopment, or community development project, the local share
9 may be financed through school bonds or a lease purchase
10 agreement, or through an incentive grant in accordance with the
11 provisions of the “New Jersey Economic Stimulus Act of 2009,”
12 P.L.2009, c.90 (C.52:27D-489a et al.).

13 The bill authorizes the board of education of a pilot district to
14 enter into a contract with a nonprofit entity, including an approved
15 charter school, for the management, operation, and staffing of the
16 community school. The nonprofit entity must have experience
17 operating a school in a high-risk, low-income urban district. The
18 contract between the board of education and the nonprofit entity
19 will be for a term of five years, must be approved by the
20 commissioner, and be in accordance with any guidelines for such
21 contracts that may established by the commissioner.

22 Upon the completion of the pilot program, the commissioner is
23 directed to report to the Governor and the Legislature on the
24 effectiveness of the program in advancing the cost-effective
25 construction of school facilities projects. The report is to include a
26 recommendation on the expansion of the school construction model
27 used under the pilot program to other school districts and school
28 facilities projects.