

SENATE, No. 2285

STATE OF NEW JERSEY

INTRODUCED DECEMBER 1, 1997

By Senator BARK

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 \$360,000,000 for the purpose of providing financial aid
4 to local school districts for the construction and renovation of
5 public school facilities and to county vocational schools for the
6 purchase of equipment; providing the ways and means to pay and
7 discharge the principal of and interest on the bonds; providing for
8 the submission of this act to the people at a general election; and
9 making an appropriation therefor.

10

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

13

14 1. This act shall be known and may be cited as the "Public School
15 Facilities Bond Act of 1998."

16

17 2. The Legislature finds and declares that the State Supreme Court
18 has recently reaffirmed the constitutional obligation of the State to
19 provide adequate school facilities; that there is a critical and urgent
20 need for the construction of new facilities and the renovation of
21 existing facilities and for the acquisition of new equipment for the
22 county vocational schools; that the lack of adequate facilities and
23 equipment will seriously impede the ability of school districts to
24 implement the requirements of the new core curriculum content
25 standards; and that the State cannot ignore conditions which
26 jeopardize the health, safety and general welfare of its children.

27

28 3. As used in this act:

29 "Abbott district" means one of the 28 urban districts in district
30 factor groups A and B specifically identified in the appendix to
31 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
32 Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394);

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

35 "Board of education" means the board of education of a local
36 school district, a regional school district, a county vocational school
37 district or a county special services school district;

1 "Bonds" mean the bonds authorized to be issued, or issued under
2 this act;

3 "Commissioner" means the Commissioner of Education;

4 "Construction" means, in addition to the usual meaning thereof, the
5 designing, engineering, financing, extension, repair, renovation,
6 remodeling, rehabilitation or alteration, or any combination thereof, of
7 a public school building or any part thereof;

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

27 "County vocational school equipment" means any property
28 consisting of, or relating to, scientific, engineering, technical,
29 computer, communications or instructional equipment;

30 "Department" means the Department of Education;

31 "Government securities" means any bonds or other obligations
32 which as to principal and interest constitute direct obligations of, or
33 are unconditionally guaranteed by, the United States of America,
34 including obligations of any federal agency, to the extent those
35 obligations are unconditionally guaranteed by the United States of
36 America, and any certificates or any other evidences of an ownership
37 interest in those obligations of, or unconditionally guaranteed by, the
38 United States of America or in specified portions which may consist
39 of the principal of, or the interest on, those obligations;

40 "Local school district" means any school district which is operated
41 under the provisions of Title 18A of the New Jersey Statutes and
42 which is responsible for the provision of free public education to all
43 children;

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

46 "Public school facility" means any school building owned or

1 acquired under an existing lease purchase agreement by a board of
2 education and the necessary attendant related facilities and equipment
3 of a board of education used for instructional purposes and for
4 community needs.

5
6 4. The State Board of Education, in consultation with the New
7 Jersey Educational Facilities Authority, shall adopt, pursuant to the
8 "Administrative Procedure Act," P.L.1968 c.410 (C.52:14B-1 et seq.),
9 rules and regulations necessary to implement the provisions of this act.

10
11 5. Bonds of the State of New Jersey are authorized to be issued
12 in the aggregate principal amount of \$360,000,000 for the
13 construction and renovation of public school facilities and for the
14 purchase of county vocational school equipment, the proceeds of
15 which shall be allocated as follows:

16 a. \$150,000,000 for the "Public School Facilities Grant Fund,"
17 established in the New Jersey Educational Facilities Authority pursuant
18 to P.L. , c. (C.)(now pending before the Legislature as Senate
19 Bill No. of 1997), to finance grants:

20 (1) to be awarded to Abbott districts on a per-pupil basis for the
21 construction and renovation of public school facilities for early
22 childhood programs in the total amount of \$55,000,000; and

23 (2) to be awarded to Abbott districts on the basis of a facilities
24 needs assessment for the construction and renovation of public school
25 facilities in the total amount of \$95,000,000.

26 b. \$10,000,000 for the "County Vocational School Equipment
27 Matching Grant Fund," established in the New Jersey Educational
28 Facilities Authority pursuant to P.L. , c. (C.)(now pending
29 before the Legislature as Senate Bill No. of 1997) to finance
30 matching grants for the purchase of county vocational school
31 equipment.

32 c. \$200,000,000 for the reserve and guarantee funds of the "Public
33 School Facilities Revolving Loan Fund," established in the New Jersey
34 Educational Facilities Authority pursuant to P.L. , c. (C.)(now
35 pending before the Legislature as Senate Bill No. of 1997) to secure
36 low-interest loans made to boards of education for the construction
37 and renovation of public school facilities. Not less than \$50,000,000
38 of the amount in the "Public School Facilities Revolving Loan Fund"
39 shall be allocated for low-interest loans made to boards of education
40 of county vocational schools for the construction and renovation of
41 public school facilities.

42
43 6. The bonds authorized under this act shall be serial bonds, term
44 bonds, or a combination thereof, and shall be known as "Public School
45 Facilities Bonds." They shall be issued from time to time as the issuing
46 officials herein named shall determine and may be issued in coupon

1 form, fully-registered form or book-entry form. The bonds may be
2 subject to redemption prior to maturity and shall mature and be paid
3 not later than 35 years from the respective dates of their issuance.

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

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

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

41
42 10. a. The bonds shall recite that they are issued for the purposes
43 set forth in section 5 of this act, that they are issued pursuant to this
44 act, that this act was submitted to the people of the State at the
45 general election held in the month of November, 1998 and that this act
46 was approved by a majority of the legally qualified voters of the State

1 voting thereon at the election. This recital shall be conclusive
2 evidence of the authority of the State to issue the bonds and their
3 validity. Any bonds containing this recital shall, in any suit, action or
4 proceeding involving their validity, be conclusively deemed to be fully
5 authorized by this act and to have been issued, sold, executed and
6 delivered in conformity herewith and with all other provisions of laws
7 applicable hereto, and shall be incontestable for any cause.

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

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

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

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

42
43 14. The proceeds from the sale of bonds used to provide grants
44 for public school facilities shall be paid to the New Jersey Educational
45 Facilities Authority and be held by the authority in a separate fund,
46 and be deposited in such depositories as may be selected by the

1 authority to the credit of the fund, which fund shall be known as the
2 "Public School Facilities Grant Fund."
3

4 15. a. The moneys in the "Public School Facilities Grant Fund" are
5 specifically dedicated and shall be applied to the cost of grants as set
6 forth in section 5 of this act.

7 b. At any time prior to the issuance and sale of bonds under this
8 act, the State Treasurer is authorized to transfer from any available
9 moneys in any fund of the treasury of the State to the credit of the
10 "Public School Facilities Grant Fund" those sums as the State
11 Treasurer may deem necessary. The sums so transferred shall be
12 returned to the same fund of the treasury of the State by the State
13 Treasurer from the proceeds of the sale of the first issue of bonds.

14 c. Pending their application to the purposes provided in this act,
15 the moneys in the "Public School Facilities Grant Fund" may be
16 invested and reinvested as are other trust funds in the custody of the
17 authority, in the manner provided by law. Net earnings received from
18 the investment or deposit of moneys in the "Public School Facilities
19 Grant Fund" shall be paid into the General Fund.
20

21 16. The proceeds from the sale of bonds used to provide matching
22 grants for the purchase of county vocational school equipment shall
23 be paid to the New Jersey Educational Facilities Authority and be held
24 by the authority in a separate fund, and be deposited in such
25 depositories as may be selected by the authority to the credit of the
26 fund, which fund shall be known as the "County Vocational School
27 Equipment Matching Grant Fund."
28

29 17. a. The moneys in the "County Vocational School Equipment
30 Matching Grant Fund" are specifically dedicated and shall be applied
31 to the cost of matching grants as set forth in section 5 of this act.

32 b. At any time prior to the issuance and sale of bonds under this
33 act, the State Treasurer is authorized to transfer from any available
34 moneys in any fund of the treasury of the State to the credit of the
35 "County Vocational School Equipment Matching Grant Fund" those
36 sums as the State Treasurer may deem necessary. The sums so
37 transferred shall be returned to the same fund of the treasury of the
38 State by the State Treasurer from the proceeds of the sale of the first
39 issue of bonds.

40 c. Pending their application to the purposes provided in this act,
41 the moneys in the "County Vocational School Equipment Matching
42 Grant Fund" may be invested and reinvested as are other trust funds
43 in the custody of the authority, in the manner provided by law. Net
44 earnings received from the investment or deposit of moneys in the
45 "County Vocational School Equipment Matching Grant Fund" shall
46 be paid into the General Fund.

1 18. The proceeds from the sale of bonds used to provide loans to
2 boards of education for public school facilities shall be paid to the
3 New Jersey Educational Facilities Authority and be held by the
4 authority in separate funds, and be deposited in such depositories as
5 may be selected by the authority to the credit of the funds, which funds
6 shall be known as the reserve and guarantee funds of the "Public
7 School Facilities Revolving Loan Fund."

8
9 19. a. The moneys in the reserve and guarantee funds of the
10 "Public School Facilities Revolving Loan Fund" are specifically
11 dedicated and shall be applied to the cost of making low-interest loans
12 to boards of education for public school facilities as set forth in section
13 5 of this act.

14 b. At any time prior to the issuance and sale of bonds under this
15 act, the State Treasurer is authorized to transfer from any available
16 moneys in any fund of the treasury of the State to the credit of the
17 reserve and guarantee funds of the "Public School Facilities Revolving
18 Loan Fund" those sums as the State Treasurer may deem necessary.
19 The sums so transferred shall be returned to the same fund of the
20 treasury of the State by the State Treasurer from the proceeds of the
21 sale of the first issue of bonds.

22 d. Pending their application to the purposes provided in this act,
23 the moneys in the reserve and guarantee funds of the "Public School
24 Facilities Revolving Loan Fund" may be invested and reinvested as are
25 other trust funds in the custody of the authority, in the manner
26 provided by law. All repayments of loans made pursuant to this act,
27 and interest thereon, shall be deposited in the "Public School Facilities
28 Revolving Loan Fund." Earnings received from monies in the fund
29 shall be credited to the fund.

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

39
40 21. The accrued interest, if any, received upon the sale of the
41 bonds shall be applied to the discharge of a like amount of interest
42 upon the bonds when due. Any expense incurred by the issuing
43 officials for advertising, engraving, printing, clerical, authenticating,
44 registering, legal or other services necessary to carry out the duties
45 imposed upon them by the provisions of this act shall be paid from the
46 proceeds of the sale of the bonds by the State Treasurer, upon the

1 warrant of the Director of the Division of Budget and Accounting in
2 the Department of the Treasury, in the same manner as other
3 obligations of the State are paid.

4
5 22. Bonds of each series issued hereunder shall mature, including
6 any sinking fund redemptions, not later than the 35th year from the
7 date of issue of that series, and in amounts as shall be determined by
8 the issuing officials. The issuing officials may reserve to the State by
9 appropriate provision in the bonds of any series the power to redeem
10 any of the bonds prior to maturity at the price or prices and upon the
11 terms and conditions as may be provided in the bonds.

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

1 agents, to the extent the cash will not be required at any time for that
2 purpose, shall be paid over to the State, as received by the trustees or
3 escrow agents, free and clear of any trust, lien, pledge or assignment
4 securing the bonds; and to the extent the cash will be required for that
5 purpose at a later date, shall, to the extent practicable and legally
6 permissible, be reinvested in government securities maturing at times
7 and in amounts sufficient to pay when due the principal of, redemption
8 premium, if any, and interest to become due on the bonds on and prior
9 to the redemption date or maturity date thereof, as the case may be,
10 and interest earned from the reinvestments shall be paid over to the
11 State, as received by the trustees or escrow agents, free and clear of
12 any trust, lien or pledge securing the bonds. Notwithstanding anything
13 to the contrary contained herein: a. the trustees or escrow agents
14 shall, if so directed by the issuing officials, apply moneys on deposit
15 with the trustees or escrow agents pursuant to the provisions of this
16 section, and redeem or sell government securities so deposited with
17 the trustees or escrow agents, and apply the proceeds thereof to (1)
18 the purchase of the bonds which were refinanced by the deposit with
19 the trustees or escrow agents of the moneys and government securities
20 and immediately thereafter cancel all bonds so purchased, or (2) the
21 purchase of different government securities; provided however, that
22 the moneys and government securities on deposit with the trustees or
23 escrow agents after the purchase and cancellation of the bonds or the
24 purchase of different government securities shall be sufficient to pay
25 when due the principal of, redemption premium, if any, and interest on
26 all other bonds in respect of which the moneys and government
27 securities were deposited with the trustees or escrow agents on or
28 prior to the redemption date or maturity date thereof, as the case may
29 be; and b. in the event that on any date, as a result of any purchases
30 and cancellations of bonds or any purchases of different government
31 securities, as provided in this sentence, the total amount of moneys
32 and government securities remaining on deposit with the trustees or
33 escrow agents is in excess of the total amount which would have been
34 required to be deposited with the trustees or escrow agents on that
35 date in respect of the remaining bonds for which the deposit was made
36 in order to pay when due the principal of, redemption premium, if any,
37 and interest on the remaining bonds, the trustees or escrow agents
38 shall, if so directed by the issuing officials, pay the amount of the
39 excess to the State, free and clear of any trust, lien, pledge or
40 assignment securing the refunding bonds.

41

42 24. Refunding bonds issued pursuant to P.L.1985, c.74 as amended
43 by P.L.1992, c.182 (C.49:2B-1 et seq.) may be consolidated with
44 bonds issued pursuant to section 6 of this act or with bonds issued
45 pursuant to any other act for purposes of sale.

1 25. To provide funds to meet the interest and principal payment
2 requirements for the bonds and refunding bonds issued under this act
3 and outstanding, there is appropriated in the order following:

4 a. Revenue derived from the collection of taxes under the "Sales
5 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
6 thereof as may be required; and

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

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

39
40 26. Should the State Treasurer, by December 31 of any year, deem
41 it necessary, because of the insufficiency of funds collected from the
42 sources of revenues as provided in this act, to meet the interest and
43 principal payments for the year after the ensuing year, then the State
44 Treasurer shall certify to the Director of the Division of Budget and
45 Accounting in the Department of the Treasury the amount necessary
46 to be raised by taxation for those purposes, the same to be assessed,

1 levied and collected for and in the ensuing calendar year. The director
2 shall, on or before March 1 following, calculate the amount in dollars
3 to be assessed, levied and collected in each county as herein set forth.
4 This calculation shall be based upon the corrected assessed valuation
5 of each county for the year preceding the year in which the tax is to be
6 assessed, but the tax shall be assessed, levied and collected upon the
7 assessed valuation of the year in which the tax is assessed and levied.
8 The director shall certify the amount to the county board of taxation
9 and the treasurer of each county. The county board of taxation shall
10 include the proper amount in the current tax levy of the several taxing
11 districts of the county in proportion to the ratables as ascertained for
12 the current year.

13

14 27. For the purpose of complying with the provisions of the State
15 Constitution, this act shall be submitted to the people at the general
16 election next occurring at least 70 days after enactment. To inform the
17 people of the contents of this act, it shall be the duty of the Secretary
18 of State, after this section takes effect, and at least 60 days prior to the
19 election, to cause this act to be published at least once in one or more
20 newspapers of each county, if any newspapers be published therein and
21 to notify the clerk of each county of this State of the passage of this
22 act; and the clerks respectively, in accordance with the instructions of
23 the Secretary of State, shall have printed on each of the ballots the
24 following:

25 If you approve of the act entitled below, make a cross (x), plus (+),
26 or check (○) mark in the square opposite the word "Yes."

27 If you disapprove of the act entitled below, make a cross (x), plus
28 (+), or check (○) mark in the square opposite the word "No."

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

1		PUBLIC SCHOOL FACILITIES BOND
2		ISSUE
3		Shall the "Public School Facilities Bond Act
4		of 1998," which authorizes the State to issue
5		bonds in the amount of \$360,000,000 for the
6		purpose of providing grants and loans for the
7		construction and renovation of public school
8	YES	facilities and matching grants for the purchase
9		of county vocational school equipment and
10		providing the ways and means to pay the
11		interest on the debt and also to pay and
12		discharge the principal thereof, be approved?
13		INTERPRETIVE STATEMENT
14		Approval of this act would authorize the sale
15		of \$360,000,000 in State general obligation
16		bonds to be used for the purpose of providing
17		\$150,000,000 in grants to the Abbott school
18		districts for the construction and renovation
19		of school facilities, with \$55,000,000
20		distributed to Abbott districts on a per-pupil
21		basis for construction and renovation of
22		school facilities for early childhood programs
23		and \$95,000,000 distributed to Abbott
24	NO	districts on the basis of a facilities needs
25		assessment; \$10,000,000 in matching grants
26		for the purchase of county vocational school
27		equipment; and \$200,000,000 for reserve and
28		guarantee funds in order to secure low-
29		interest loans made by the New Jersey
30		Educational Facilities Authority from a
31		revolving loan fund to boards of education for
32		the construction and renovation of school
33		facilities. The Abbott school districts are the
34		28 urban districts identified by the State
35		Supreme Court as having special needs.

36
37 The fact and date of the approval or passage of this act, as the case
38 may be, may be inserted in the appropriate place after the title in the
39 ballot. No other requirements of law of any kind or character as to
40 notice or procedure, except as herein provided, need be adhered to.

41 The votes so cast for and against the approval of this act, by ballot
42 or voting machine, shall be counted and the result thereof returned by
43 the election officer, and a canvass of the election had in the same
44 manner as is provided for by law in the case of the election of a
45 Governor, and the approval or disapproval of this act so determined

1 shall be declared in the same manner as the result of an election for a
2 Governor, and if there is a majority of all the votes cast for and against
3 it at the election in favor of the approval of this act, then all the
4 provisions of this act not made effective theretofore shall take effect
5 forthwith.

6
7 28. There is appropriated the sum of \$5,000 to the Department of
8 State for expenses in connection with the publication of notice
9 pursuant to section 27 of this act.

10
11 29. This section and sections 27 and 28 of this act shall take effect
12 immediately and the remainder of this act shall take effect as and when
13 provided in section 27.

14
15
16 STATEMENT

17
18 This bill, entitled the "Public School Facilities Bond Act of 1998,"
19 authorizes the issuance of \$360,000,000 in State general obligation
20 bonds for the purpose of providing financial aid to local school
21 districts for the construction and renovation of public school facilities
22 and to county vocational schools for the purchase of equipment. Of
23 that amount, \$150,000,000 would be allocated to a grant fund for
24 grants to Abbott school districts, with \$55,000,000 distributed on a
25 per-pupil basis for the construction and renovation of facilities for
26 early childhood programs and \$95,000,000 distributed on the basis of
27 a facilities needs assessment for the construction and renovation of
28 public school facilities. The Abbott school districts are the 28 urban
29 districts identified by the State Supreme Court as having special needs.
30 A fund would be established to provide matching grants to county
31 vocational schools for the purchase of equipment in the amount of
32 \$10,000,000. The balance of \$200,000,000 would be allocated to
33 reserve and guarantee funds established in the New Jersey Educational
34 Facilities Authority in order to secure low-interest loans made by the
35 authority from a revolving loan fund to school boards for the
36 construction and renovation of public school facilities. Approximately
37 \$500,000,000 would be available in the revolving loan fund of which
38 \$50,000,000 would be allocated for use by county vocational schools.

39 The bill provides that the bond act is to be submitted to the people
40 for approval at the general election to be held at least 70 days after
41 enactment and appropriates \$5,000 to the Department of State for
42 expenses in connection with the publication of the public question

1

2

3 "Public School Facilities Bond Act;" authorizes issuance of
4 \$360,000,000 in bonds for public school construction and renovation
5 and appropriates \$5,000.