Sponsored by:
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District 37 (Bergen)
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District 35 (Bergen and Passaic)
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District 21 (Morris, Somerset and Union)

SYNOPSIS
Authorizes certain boards of education to issue bonds to repair damages caused by natural disasters in certain circumstances.

CURRENT VERSION OF TEXT
As reported by the Assembly State and Local Government Committee on December 14, 2023, with amendments.

(Sponsorship Updated As Of: 12/21/2023)
AN ACT concerning school district borrowing and supplementing chapter 22 of Title 18A of the New Jersey Statutes.

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

1. a. Notwithstanding the provisions of N.J.S.18A:24-10 or any other law, rule, or regulation to the contrary, the board of education of a Type II school district without a board of school estimate may issue bonds without the approval of the voters of the district in order to finance costs related to repairs to school facilities and other furnishings and equipment that were damaged due to a natural disaster for which a state of emergency is declared pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.), provided that the repairs are deemed to be necessary in order to provide a thorough and efficient system of education in the school district and that the costs, or any portion of the costs thereof, stemming from such repairs are eligible for reimbursement by the Federal Emergency Management Agency. In the case of a Type I school district or a Type II school district with a board of school estimate, notwithstanding the provisions of N.J.S.18A:24-11, N.J.S.18A:24-12, or any other law, rule, or regulation to the contrary, such bonds may be issued by the board of education or the governing body of the municipality comprised within the district without the approval of the board of school estimate or the adoption of a municipal ordinance as applicable.

b. (1) The issuance of bonds pursuant to this section shall be approved by the board of education of the school district, or the governing body of the municipality, as applicable, and shall be subject to the approval of the capital project control board.

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.

Matter enclosed in superscript numerals has been adopted as follows:

Assembly ASL committee amendments adopted December 14, 2023.
State district superintendent in the case of a school district under
full State intervention or partial State intervention in which the
governance component of school district effectiveness has not been
returned to the district. The approval shall be evidenced by the
adoption of a resolution by the board of education in a public
meeting upon an affirmative vote of two-thirds of its full
membership. If the school district is under full or partial State
intervention and the governance component of school district
effectiveness has not been returned to the district, the approval shall
be evidenced by a certification, affidavit, or other sworn statement
signed by the State district superintendent supporting the issuance.
The resolution or certification, affidavit, or other sworn statement
as applicable shall, at a minimum:

(a) certify support for the issuance of the bonds and authorize the
submission of an application to the Commissioner of Education
pursuant to subsection c. of this section;

(b) petition the commissioner to authorize the issuance of bonds
pursuant to this section;

(c) include the total estimated cost of the damage to school
facilities and other furnishings and equipment, caused by a natural
disaster [for which a state of emergency is declared];

(d) state the project or projects to be submitted to the
commissioner and the amounts to be raised for the project or
projects;

(e) the amount necessary to be raised by school bonds for repairs
to the damage to school facilities and other furnishings and
equipment; and

(f) the amount of funds, if any, that the school district has
been or will be reimbursed by the Federal Emergency
Management Agency.

(2) (a) In the event that the repairs for which bonds are to be
issued pursuant to this section are deemed to be a school facilities
project that is eligible for State debt service aid pursuant to
P.L.2000, c.72 (C.18A:7G-1 et al.), the board of education or State
superintendent as applicable shall apply to the commissioner
seeking approval for the school facilities project prior to the
adoption of a resolution or the signing of a certification, affidavit,
or other sworn statement pursuant to paragraph (1) of this
subsection. The application shall be reviewed by the commissioner
on an expedited basis pursuant to a process to be established by the
commissioner. The application shall include items to be required
by the commissioner including, but not limited to: a description of
the school facilities project; a schematic drawing of the project or,
at the option of the district, preliminary plans and specifications; a
delineation and description of each of the functional components of
the project; educational specifications detailing the programmatic
needs of each proposed space; the number of unhoused students to
be housed in the project; the area allowances per FTE student as
calculated pursuant to section 8 of P.L.2000, c.72 (C.18A:7G-8); and the estimated cost to complete the project as determined by the district. Notwithstanding the provisions of section 4 of P.L.2000, c.72 (C.18A:7G-4) or section 5 of P.L.2000, c.72 (C.18A:7G-5) or the provisions of any other law, rule, or regulation to the contrary, the approval or disapproval of an application for a school facilities project pursuant to this section shall not be contingent upon the school facilities project being consistent or inconsistent with the school district’s long-range facilities plan required pursuant to section 4 of P.L.2000, c.72 (C.18A:7G-4) or upon the fact that the long-range facilities plan has not been amended to incorporate the school facilities project.

(b) Upon approval of an application submitted pursuant to subparagraph (a) of this paragraph, the applicant board of education shall adopt a resolution approving the issuance of bonds in a public meeting upon an affirmative vote of two-thirds of its full membership. If the school district is under full or partial State intervention and the governance component of school district effectiveness has not been returned to the district, the approval shall be evidenced by a certification, affidavit, or other sworn statement signed by the State district superintendent supporting the issuance. The resolution or certification, affidavit, or other sworn statement as applicable shall include, in addition to the information required pursuant to paragraph (1) of this subsection:

(i) the amount needed to be raised by school bonds;
(ii) the final eligible costs of the school facilities project as approved by the commissioner;
(iii) the total costs;
(iv) the State share or State debt-service-aid percentage;
(v) the local share, if applicable; and
(vi) the excess costs, if applicable.

c. (1) Upon the adoption of a resolution or the signing of a certification, affidavit, or other sworn statement pursuant to subsection b. of this section, a board of education or State district superintendent as applicable shall apply to the Commissioner of Education for approval of the issuance of bonds for the purposes laid out in subsection a. of this section. An application shall be submitted in a manner and in accordance with procedures prescribed by the commissioner. At a minimum, the application shall:

(a) demonstrate the need to borrow and that borrowing is necessary to provide a thorough and efficient system of education and to meet an emergency caused by a natural disaster for which a state of emergency is declared pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.);
(b) include the resolution adopted, or certification, affidavit, or other sworn statement signed, pursuant to subsection b. of this section;
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(c) demonstrate that the repairs for which bonds will be issued are eligible for reimbursement by the Federal Emergency Management Agency; and

(d) demonstrate that reasonable efforts have been made to employ other methods provided by law to finance repairs to school facilities and other furnishings and equipment that were damaged due to a natural disaster for which a state of emergency is declared pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.).

(2) A decision by the commissioner concerning the approval or disapproval of an application shall be rendered to the applicant board of education or State district superintendent within 15 business days of receipt of the application.

d. (1) Notwithstanding the provisions of any law, rule, or regulation to the contrary, in the event that the commissioner approves an application submitted pursuant to subsection c. of this section, the principal of and interest on the bonds issued pursuant to this section shall be repaid with funds of the school district.

Notwithstanding the bond limitations on a school district pursuant to the provisions of N.J.S.18A:24-19 or the provisions of any other law, rule, or regulation to the contrary, a school bond may be issued in a manner prescribed in this section even if the principal amount of the bond, when added to the net school debt of the district, exceeds the limitations enumerated under N.J.S.18A:24-19 or under any other provision of law prescribing bond limitations on a Type II school district without a board of school estimate. In the event that a school district exceeds the applicable bond limitations after issuance of a bond pursuant to this section, the commissioner shall, along with the approval of an application provided under subsection c. of this section, endorse the commissioner’s consent and shall record in writing that the borrowing is necessary for the school district to provide a thorough and efficient system of education and to meet an emergency caused by a natural disaster.

(2) In addition to the amount of taxes determined by the legal voters of the district at the annual school election, the secretary of the board of education shall certify the amount required for the repayment of the interest and principal of the bonds required to fund the local share amount approved by the commissioner in the same manner required for interest and debt redemption charges pursuant to N.J.S.18A:22-33, and the amount so certified shall be included in the taxes assessed, levied, and collected in the municipality or municipalities comprising the school district for those purposes.

2. This act shall take effect immediately.