

**SENATE, No. 4115**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED FEBRUARY 3, 2025

**Sponsored by:**  
**Senator RAJ MUKHERJI**  
**District 32 (Hudson)**

**SYNOPSIS**

Permits SDA districts to receive State debt service aid for eligible costs of certain school facilities projects.

**CURRENT VERSION OF TEXT**

As introduced.



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2

1 AN ACT concerning school facilities projects in SDA districts and  
2 amending and supplementing P.L.2000, c.72.

3

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

6

7 1. Section 3 of P.L.2000, c.72 (C.18A:7G-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 30 and 57 through 71 of  
10 P.L.2000, c.72 (C.18A:7G-1 et al.), sections 14 through 17 of  
11 P.L.2007, c.137 (C.18A:7G-45 through C.18A:7G-48), **[and]**  
12 sections 5, 7, 12, 15, and 19 through 21 of P.L.2023, c.311  
13 (C.18A:7G-5b et al.), and section 3 of P.L. , c. (C. )  
14 (pending before the Legislature as this bill), unless the context  
15 clearly requires a different meaning:

16 "Area cost allowance" means \$138 per square foot for the school  
17 year 2000-2001 and shall be inflated by an appropriate cost index  
18 for the 2001-2002 school year. For the 2002-2003 school year and  
19 subsequent school years, the area cost allowance shall be  
20 established by the commissioner pursuant to subsection h. of  
21 section 4 of P.L.2000, c.72 (C.18A:7G-4). The area cost allowance  
22 used in determining preliminary eligible costs of school facilities  
23 projects shall be that of the year of application for approval of the  
24 project;

25 "Capital maintenance project" means a school facilities project  
26 intended to extend the useful life of a school facility, including up-  
27 grades and replacements of building systems, such as structure,  
28 enclosure, mechanical, plumbing and electrical systems;

29 "Commissioner" means the Commissioner of Education;

30 "Core curriculum content standards" means the standards  
31 established pursuant to the provisions of subsection a. of section 4  
32 of P.L.2007, c.260 (C.18A:7F-46);

33 "Cost index" means the average annual increase, expressed as a  
34 decimal, in actual construction cost factors for the New York City  
35 and Philadelphia areas during the second fiscal year preceding the  
36 budget year as determined pursuant to regulations promulgated by  
37 the development authority pursuant to section 26 of P.L.2000, c.72  
38 (C.18A:7G-26);

39 "Debt service" means and includes payments of principal and  
40 interest upon school bonds issued to finance the acquisition of  
41 school sites and the purchase or construction of school facilities,  
42 additions to school facilities, or the reconstruction, remodeling,  
43 alteration, modernization, renovation or repair of school facilities,  
44 including furnishings, equipment, architect fees and the costs of  
45 issuance of such obligations and shall include payments of principal

**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 and interest upon school bonds heretofore issued to fund or refund  
2 such obligations, and upon municipal bonds and other obligations  
3 which the commissioner approves as having been issued for such  
4 purposes. Debt service pursuant to the provisions of P.L.1978, c.74  
5 (C.18A:58-33.22 et seq.), P.L.1971, c.10 (C.18A:58-33.6 et seq.)  
6 and P.L.1968, c.177 (C.18A:58-33.2 et seq.) is excluded;

7 "Demonstration project" means a school facilities project  
8 selected by the State Treasurer for construction by a redevelopment  
9 entity pursuant to section 6 of P.L.2000, c.72 (C.18A:7G-6);

10 "Development authority" means the New Jersey Schools  
11 Development Authority established pursuant to section 3 of  
12 P.L.2007, c.137 (C.52:18A-237);

13 "District" means a local or regional school district established  
14 pursuant to chapter 8 or chapter 13 of Title 18A of the New Jersey  
15 Statutes, a county special services school district established  
16 pursuant to article 8 of chapter 46 of Title 18A of the New Jersey  
17 Statutes, a county vocational school district established pursuant to  
18 article 3 of chapter 54 of Title 18A of the New Jersey Statutes, and  
19 a district under full State intervention pursuant to P.L.1987, c.399  
20 (C.18A:7A-34 et al.);

21 "District aid percentage" means the number expressed as a  
22 percentage derived from dividing the district's equalization aid  
23 calculated pursuant to section 11 of P.L.2007, c.260 (C.18A:7F-53)  
24 as of the date of the commissioner's determination of preliminary  
25 eligible costs by the district's adequacy budget calculated pursuant  
26 to section 9 of P.L.2007, c.260 (C.18A:7F-51) as of the date of the  
27 commissioner's determination of preliminary eligible costs;

28 "Excess costs" means the additional costs, if any, which shall be  
29 borne by the district, of a school facilities project which result from  
30 design factors that are not required to meet the facilities efficiency  
31 standards and not approved pursuant to paragraph (1) of subsection  
32 g. of section 5 of P.L.2000, c.72 (C.18A:7G-5) or are not authorized  
33 as community design features included in final eligible costs  
34 pursuant to subsection c. of section 6 of P.L.2000, c.72 (C.18A:7G-  
35 6);

36 "Facilities efficiency standards" means the standards developed  
37 by the commissioner pursuant to subsection h. of section 4 of  
38 P.L.2000, c.72 (C.18A:7G-4);

39 "Final eligible costs" means for school facilities projects to be  
40 constructed by the development authority, the final eligible costs of  
41 the school facilities project as determined by the commissioner, in  
42 consultation with the development authority, pursuant to section 5  
43 of P.L.2000, c.72 (C.18A:7G-5); for demonstration projects, the  
44 final eligible costs of the project as determined by the commissioner  
45 and reviewed by the development authority which may include the  
46 cost of community design features determined by the commissioner  
47 to be an integral part of the school facility and which do not exceed  
48 the facilities efficiency standards, and which were reviewed by the

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1 development authority and approved by the State Treasurer  
2 pursuant to section 6 of P.L.2000, c.72 (C.18A:7G-6); and for  
3 districts other than SDA districts and SDA districts undertaking and  
4 financing a school facilities project pursuant to section 3 of  
5 P.L. , c. (C. ) (pending before the Legislature as this bill),  
6 final eligible costs as determined pursuant to paragraph (1) of  
7 subsection h. of section 5 of P.L.2000, c.72 (C.18A:7G-5);

8 "Financing authority" means the New Jersey Economic  
9 Development Authority established pursuant to P.L.1974, c.80  
10 (C.34:1B-1 et seq.);

11 "FTE" means a full-time equivalent student which shall be  
12 calculated as follows: each student in grades 1 through 12 shall be  
13 counted at 100 percent of the actual count of students, in the case of  
14 districts which operate a half-day kindergarten program each  
15 kindergarten student shall be counted at 50 percent of the actual  
16 count of kindergarten students, in the case of districts which operate  
17 a full-day kindergarten program or which currently operate a half-  
18 day kindergarten program but propose to build facilities to house a  
19 full-day kindergarten program each kindergarten student shall be  
20 counted at 100 percent of the actual count of kindergarten students,  
21 and each preschool student who is enrolled in a full-day preschool  
22 program pursuant to section 12 of P.L.2007, c.260 (C.18A:7F-54)  
23 shall be counted at 100 percent of the actual count of preschool  
24 students. In addition, each preschool disabled child who is entitled  
25 to receive a full-time program pursuant to N.J.S.18A:46-6 shall be  
26 counted at 100 percent of the actual count of these students in the  
27 district;

28 "Functional capacity" means the number of students that can be  
29 housed in a building in order to have sufficient space for it to be  
30 educationally adequate for the delivery of programs and services  
31 necessary for student achievement of the core curriculum content  
32 standards. Functional capacity is determined by dividing the  
33 existing gross square footage of a school building by the minimum  
34 area allowance per FTE student pursuant to subsection b. of section  
35 8 of P.L.2000, c.72 (C.18A:7G-8) for the grade level students  
36 contained therein. The difference between the projected enrollment  
37 determined pursuant to subsection a. of section 8 of P.L.2000, c.72  
38 (C.18A:7G-8) and the functional capacity is the unhoused students  
39 that are the basis upon which the additional costs of space to  
40 provide educationally adequate facilities for the entire projected  
41 enrollment are determined. The existing gross square footage for  
42 the purposes of defining functional capacity is exclusive of existing  
43 spaces that are not contained in the facilities efficiency standards  
44 but which are used to deliver programs and services aligned to the  
45 core curriculum content standards, used to provide support services  
46 directly to students, or other existing spaces that the district can  
47 demonstrate would be structurally or fiscally impractical to convert  
48 to other uses contained in the facilities efficiency standards;

1 "Kit of Parts' standardized school design elements" means the  
2 prototypical design utilizing standardized Modern Building  
3 Component Elements, Model Educational Specifications, and  
4 Model Program Templates created by the development authority for  
5 the efficient, adaptable, and scalable organization and configuration  
6 of instructional, large group assembly, and other elements within a  
7 school facilities project;

8 "Lease purchase payment" means and includes payment of  
9 principal and interest for lease purchase agreements in excess of  
10 five years approved pursuant to subsection (f) of N.J.S.18A:20-4.2  
11 prior to the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) to  
12 finance the purchase or construction of school facilities, additions  
13 to school facilities, or the reconstruction, remodeling, alteration,  
14 modernization, renovation or repair of school facilities, including  
15 furnishings, equipment, architect fees and issuance costs. Approved  
16 lease purchase agreements in excess of five years shall be accorded  
17 the same accounting treatment as school bonds;

18 "Local share" means, in the case of a school facilities project to  
19 be constructed by the development authority, the total costs less the  
20 State share as determined pursuant to section 5 of P.L.2000, c.72  
21 (C.18A:7G-5); in the case of a demonstration project, the total costs  
22 less the State share as determined pursuant to sections 5 and 6 of  
23 P.L.2000, c.72 (C.18A:7G-5 and C.18A:7G-6); and in the case of a  
24 school facilities project which shall be financed pursuant to section  
25 15 of P.L.2000, c.72 (C.18A:7G-15), the total costs less the State  
26 share as determined pursuant to that section;

27 "Local unit" means a county, municipality, board of education or  
28 any other political subdivision or instrumentality authorized to  
29 construct, operate and maintain a school facilities project and to  
30 borrow money for those purposes pursuant to law;

31 "Local unit obligations" means bonds, notes, refunding bonds,  
32 refunding notes, lease obligations and all other obligations of a  
33 local unit which are issued or entered into for the purpose of paying  
34 for all or a portion of the costs of a school facilities project,  
35 including moneys payable to the development authority;

36 "Long-range facilities plan" means the plan required to be  
37 submitted to the commissioner by a district pursuant to section 4 of  
38 P.L.2000, c.72 (C.18A:7G-4);

39 "Maintenance" means expenditures which are approved for  
40 repairs and replacements for the purpose of keeping a school  
41 facility open and safe for use or in its original condition, including  
42 repairs and replacements to a school facility's heating, lighting,  
43 ventilation, security and other fixtures to keep the facility or  
44 fixtures in effective working condition. Maintenance shall not  
45 include capital maintenance or contracted custodial or janitorial  
46 services, expenditures for the cleaning of a school facility or its  
47 fixtures, the care and upkeep of grounds or parking lots, and the  
48 cleaning of, or repairs and replacements to, movable furnishings or

1 equipment, or other expenditures which are not required to maintain  
2 the original condition over the school facility's useful life.  
3 Approved maintenance expenditures shall be as determined by the  
4 commissioner pursuant to regulations to be adopted by the  
5 commissioner pursuant to section 26 of P.L.2000, c.72 (C.18A:7G-  
6 26);

7 "Materials and Systems Standards" means the development  
8 authority's "Materials and Systems Standards Manual" and  
9 "Construction Details Manual," which are:

10 intended to implement standardized designs in support of  
11 repeatable, durable, and cost-effective construction of school  
12 facilities projects;

13 comprised of "Design Requirements" prescribing the approved  
14 standards for selection of materials, systems, and equipment to be  
15 incorporated into a school facilities project; and

16 comprised of "Construction Details" containing standardized  
17 construction details for the construction of school facilities projects.

18 "Model Building Component Elements" means the development  
19 of standardized prototypical model room layouts for instructional,  
20 large group, and core component building elements;

21 "Model Educational Specifications" means the development of:  
22 room educational specifications, which describe a school's  
23 programs and activities, spatial relationships, and special  
24 environmental requirements for each space; and

25 room fit-out lists, which provide the number, type, and size of  
26 equipment, furniture, and fixtures contained in each room inclusive  
27 of the party responsible for providing them in a school facility.

28 "Model Program Templates" means the development of  
29 programmatic models that define the number and type of rooms and  
30 spaces to be provided in a school facility;

31 "Model school design program" means the design standards for  
32 school facilities projects comprised of the "Kit of Parts"  
33 standardized school design elements, developed by the development  
34 authority for the adaptable and scalable configuration and  
35 repeatable and efficient construction of school facilities projects,  
36 pursuant to paragraph (2) of subsection h. of section 4 of P.L.2000,  
37 c.72 (C.18A:7G-4);

38 "Other allowable costs" means the costs of temporary facilities,  
39 site development, acquisition of land or other real property interests  
40 necessary to effectuate the school facilities project, fees for the  
41 services of design professionals, including architects, engineers,  
42 construction managers and other design professionals, legal fees,  
43 financing costs and the administrative costs of the development  
44 authority and the financing authority or the district incurred in  
45 connection with the school facilities project;

46 "Other facilities" means athletic stadiums, swimming pools, ice  
47 rinks, any associated structures or related equipment tied to such  
48 facilities including, but not limited to, grandstands and night field

1 lights, greenhouses, facilities used for non-instructional or non-  
2 educational purposes, and any structure, building, or facility used  
3 solely for school administration;

4 "Preliminary eligible costs" means the initial eligible costs of a  
5 school facilities project as calculated pursuant to the formulas set  
6 forth in section 7 of P.L.2000, c.72 (C.18A:7G-7) or as otherwise  
7 provided pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5) and  
8 which shall be deemed to include the costs of construction and other  
9 allowable costs;

10 "Project charter" means the document that sets forth the scope,  
11 budget, and schedule of a school facilities project, as approved by  
12 the board of the development authority, and which is updated from  
13 time to time during the course of the school facilities project with  
14 board approval.

15 "Redevelopment entity" means a redevelopment entity  
16 authorized by a municipal governing body to implement plans and  
17 carry out redevelopment projects in the municipality pursuant to the  
18 "Local Redevelopment and Housing Law," P.L.1992, c.79  
19 (C.40A:12A-1 et al.);

20 "School bonds" means, in the case of a school facilities project  
21 which is to be constructed by the development authority, a  
22 redevelopment entity, or a district under section 15 of P.L.2000,  
23 c.72 (C.18A:7G-15), bonds, notes or other obligations issued by a  
24 district to finance the local share; and, in the case of a school  
25 facilities project which is not to be constructed by the development  
26 authority or a redevelopment entity, or financed under section 15 of  
27 P.L.2000, c.72 (C.18A:7G-15), bonds, notes or other obligations  
28 issued by a district to finance the total costs;

29 "School enrollment" means the number of FTE students other  
30 than evening school students, including post-graduate students and  
31 post-secondary vocational students, who, on the last school day  
32 prior to October 16 of the current school year, are recorded in the  
33 registers of the school;

34 "School facility" means and includes any structure, building, or  
35 facility used wholly or in part for educational purposes by a district  
36 and facilities that physically support such structures, buildings and  
37 facilities, such as district wastewater treatment facilities, power  
38 generating facilities, and steam generating facilities, but shall  
39 exclude other facilities;

40 "School facilities project" means the planning, acquisition,  
41 demolition, construction, improvement, alteration, modernization,  
42 renovation, reconstruction or capital maintenance of all or any part  
43 of a school facility or of any other personal property necessary for,  
44 or ancillary to, any school facility, and shall include fixtures,  
45 furnishings and equipment, and shall also include, but is not limited  
46 to, site acquisition, site development, the services of design  
47 professionals, such as engineers and architects, construction

1 management, legal services, financing costs and administrative  
2 costs and expenses incurred in connection with the project;

3 "SDA district" is a district that received education opportunity  
4 aid or preschool expansion aid in the 2007-2008 school year;

5 "Special education services pupil" means a pupil receiving  
6 specific services pursuant to chapter 46 of Title 18A of the New  
7 Jersey Statutes;

8 "State aid" means State municipal aid and State school aid;

9 "State debt service aid" means for school bonds issued for school  
10 facilities projects approved by the commissioner after the effective  
11 date of P.L.2000, c.72 (C.18A:7G-1 et al.) of districts which elect  
12 not to have a redevelopment entity construct the project or which  
13 elect not to finance the project under section 15 of P.L.2000, c.72  
14 (C.18A:7G-15), the amount of State aid determined pursuant to  
15 section 9 of P.L.2000, c.72 (C.18A:7G-9); and for school bonds or  
16 certificates of participation issued for school facilities projects  
17 approved by the commissioner prior to the effective date of  
18 P.L.2000, c.72 (C.18A:7G-1 et al.) the amount of State aid  
19 determined pursuant to section 10 of P.L.2000, c.72 (C.18A:7G-  
20 10);

21 "State municipal aid" means business personal property tax  
22 replacement revenues, State urban aid and State revenue sharing, as  
23 these terms are defined in section 2 of P.L.1976, c.38 (C.40A:3-3),  
24 or other similar forms of State aid payable to the local unit and to  
25 the extent permitted by federal law, federal moneys appropriated or  
26 apportioned to the municipality or county by the State;

27 "State school aid" means the funds made available to school  
28 districts pursuant to section 11 of P.L.2007, c.260 (C.18A:7F-53);

29 "State share" means the State's proportionate share of the final  
30 eligible costs of a school facilities project to be constructed by the  
31 development authority as determined pursuant to section 5 of  
32 P.L.2000, c.72 (C.18A:7G-5); in the case of a demonstration  
33 project, the State's proportionate share of the final eligible costs of  
34 the project as determined pursuant to sections 5 and 6 of P.L.2000,  
35 c.72 (C.18A:7G-5 and C.18A:7G-6); and in the case of a school  
36 facilities project to be financed pursuant to section 15 of P.L.2000,  
37 c.72 (C.18A:7G-15), the State share as determined pursuant to that  
38 section;

39 "Total costs" means, in the case of a school facilities project  
40 which is to be constructed by the development authority or a  
41 redevelopment entity or financed pursuant to section 15 of  
42 P.L.2000, c.72 (C.18A:7G-15), the final eligible costs plus excess  
43 costs if any; and in the case of a school facilities project which is  
44 not to be constructed by the development authority or a  
45 redevelopment entity or financed pursuant to section 15 of  
46 P.L.2000, c.72 (C.18A:7G-15), the total cost of the project as  
47 determined by the district.

48 (cf: P.L.2023, c.311, s.2)



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1        2. Section 5 of P.L.2000, c.72 (C.18A:7G-5) is amended to read  
2 as follows:

3        5. a. The development authority shall undertake and the  
4 financing authority shall finance the school facilities projects of  
5 SDA districts, unless an SDA district chooses to undertake and  
6 finance a school facilities project pursuant to section 3 of  
7 P.L. , c. (C. ) (pending before the Legislature as this bill).

8        b. In the case of a district other than an SDA district, State  
9 support for the project shall be determined pursuant to section 9 or  
10 section 15 of P.L.2000, c.72 (C.18A:7G-9 or C.18A:7G-15), as  
11 applicable. In the case of an SDA district that chooses to undertake  
12 and finance a school facilities project pursuant to section 3 of  
13 P.L. , c. (C. ) (pending before the Legislature as this bill),  
14 State support for the project shall be determined pursuant to section  
15 9 of P.L.2000, c.72 (C.18A:7G-9).

16        c. Notwithstanding any provision of N.J.S.18A:18A-16 to the  
17 contrary, the procedures for obtaining approval of a school facilities  
18 project shall be as set forth in P.L.2000, c.72 (C.18A:7G-1 et al.);  
19 provided that any district whose school facilities project is not  
20 constructed by the development authority shall also be required to  
21 comply with the provisions of N.J.S.18A:18A-16 and, in the case of  
22 a school facilities project that has estimated total costs over  
23 \$10,000,000, shall be overseen by a non-conflicted construction  
24 management service provider, which holds a current, valid  
25 classification issued by the Division of Property Management and  
26 Construction in the Department of Treasury pursuant to its  
27 classification processes for construction managers, who shall serve  
28 from initial application to the commissioner for approval of the  
29 project through project completion.

30        d. (1) Any district seeking to initiate a school facilities project  
31 shall apply to the commissioner for approval of the project. The  
32 application may include, but not be limited to: a description of the  
33 school facilities project; a schematic drawing of the project or, at  
34 the option of the district, preliminary plans and specifications; a  
35 delineation and description of each of the functional components of  
36 the project; educational specifications detailing the programmatic  
37 needs of each proposed space; the number of unhoused students to  
38 be housed in the project; the area allowances per FTE student as  
39 calculated pursuant to section 8 of P.L.2000, c.72 (C.18A:7G-8);  
40 and the estimated cost to complete the project as determined by the  
41 district.

42        (2) (a) In the case of an SDA district school facilities project,  
43 except for an SDA district school facilities project being undertaken  
44 and financed by the SDA district pursuant to section 3 of  
45 P.L. , c. (C. ) (pending before the Legislature as this bill),  
46 based upon its educational priority ranking and the Statewide  
47 strategic plan established pursuant to subsection m. of this section,  
48 the commissioner may authorize the development authority to

1 undertake preconstruction activities which may include, but need  
2 not be limited to, site identification, investigation, and acquisition,  
3 feasibility studies, land-related design work, design work, site  
4 remediation, demolition, and acquisition of temporary facilities.  
5 Upon receipt of the authorization, the development authority may  
6 initiate the preconstruction activities required to prepare the  
7 application for commissioner approval of the school facilities  
8 project. Site remediation and demolition preconstruction activities  
9 undertaken by the development authority pursuant to this  
10 subparagraph shall be included as part of the project charter of the  
11 SDA district school facilities project, which project charter covers  
12 all other construction activities of the school facilities project.

13 (b) In the case of an SDA district school facilities project, except  
14 for an SDA district school facilities project being undertaken and  
15 financed by the SDA district pursuant to section 3 of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill),  
17 the project design shall conform to the standards of the model  
18 school design program developed by the development authority  
19 pursuant to paragraph (2) of subsection h. of section 4 of P.L.2000,  
20 c.72 (C.18A:7G-4). The development authority may permit an SDA  
21 district school facilities project, except for an SDA district school  
22 facilities project being undertaken and financed by the SDA district  
23 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
24 Legislature as this bill), to include design features that are  
25 considered excess costs provided that the design features do not  
26 exceed the lesser of 15 percent of total estimated project costs or  
27 \$4,000,000.

28 (c) In the case of a district other than an SDA district and an  
29 SDA district undertaking and financing a school facilities project  
30 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
31 Legislature as this bill), the project design of a school facilities  
32 project may conform to the standards of the model school design  
33 program developed by the development authority pursuant to  
34 paragraph (2) of subsection h. of section 4 of P.L.2000, c.72  
35 (C.18A:7G-4).

36 e. The commissioner shall review each proposed school  
37 facilities project to determine whether it is consistent with the  
38 district's long-range facilities plan and whether it complies with the  
39 facilities efficiency standards and the area allowances per FTE  
40 student derived from those standards; and in the case of an SDA  
41 district, except for an SDA district undertaking and financing a  
42 school facilities project pursuant to section 3 of  
43 P.L. , c. (C. ) (pending before the Legislature as this bill),  
44 the commissioner shall also review the project's educational priority  
45 ranking and the Statewide strategic plan developed pursuant to  
46 paragraphs (2) and (3) of subsection m. of this section and whether  
47 the project conforms to the standards of the model school design  
48 program; and in the case of a district other than an SDA district and

1 an SDA district undertaking and financing a school facilities project  
2 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill), the commissioner shall also review the  
4 project's priority pursuant to paragraph (4) of subsection m. of this  
5 section. The commissioner shall make a decision on a district's  
6 application within 90 days from the date the commissioner  
7 determines that the application is fully and accurately completed  
8 and that all information necessary for a decision has been filed by  
9 the district, or from the date of the last revision made by the district.  
10 If the commissioner is not able to make a decision within 90 days,  
11 the commissioner shall notify the district in writing explaining the  
12 reason for the delay and indicating the date on which a decision on  
13 the project will be made, provided that the date shall not be later  
14 than 60 days from the expiration of the original 90 days set forth in  
15 this subsection. If the decision is not made by the subsequent date  
16 indicated by the commissioner, then the project shall be deemed  
17 approved and the preliminary eligible costs for new construction  
18 shall be calculated by using the proposed square footage of the  
19 building as the approved area for unhoused students.

20 f. If the commissioner determines that the school facilities  
21 project complies with the facilities efficiency standards and the  
22 district's long-range facilities plan and does not exceed the area  
23 allowance per FTE student derived from those standards, the  
24 commissioner shall calculate the preliminary eligible costs of the  
25 project pursuant to the formulas set forth in section 7 of P.L.2000,  
26 c.72 (C.18A:7G-7); except that (1) in the case of a county special  
27 services school district or a county vocational school district, the  
28 commissioner shall calculate the preliminary eligible costs to equal  
29 the amount determined by the board of school estimate and  
30 approved by the board of chosen freeholders pursuant to section 14  
31 of P.L.1971, c.271 (C.18A:46-42) or N.J.S.18A:54-31 as  
32 appropriate, and (2) in the case of an SDA district, except for an  
33 SDA district undertaking and financing a school facilities project  
34 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
35 Legislature as this bill), the commissioner shall calculate the  
36 preliminary eligible costs to equal the estimated cost as determined  
37 by the development authority.

38 g. If the commissioner determines that the school facilities  
39 project is inconsistent with the facilities efficiency standards or  
40 exceeds the area allowances per FTE student derived from those  
41 standards, the commissioner shall notify the district.

42 (1) The commissioner shall approve area allowances in excess  
43 of the area allowances per FTE student derived from the facilities  
44 efficiency standards if the board of education or State district  
45 superintendent, as appropriate, demonstrates that school facilities  
46 needs related to required programs cannot be addressed within the  
47 facilities efficiency standards and that all other proposed spaces are  
48 consistent with those standards. The commissioner shall approve

1 area allowances in excess of the area allowances per FTE student  
2 derived from the facilities efficiency standards if the additional area  
3 allowances are necessary to accommodate centralized facilities to  
4 be shared among two or more school buildings within the district  
5 and the centralized facilities represent a more cost effective  
6 alternative.

7 (2) The commissioner may waive a facilities efficiency standard  
8 if the board of education or State district superintendent, as  
9 appropriate, demonstrates to the commissioner's satisfaction that the  
10 waiver will not adversely affect the educational adequacy of the  
11 school facility, including the ability to deliver the programs and  
12 services necessary to enable all students to achieve the core  
13 curriculum content standards.

14 (3) To house the district's central administration, a district may  
15 request an adjustment to the approved areas for unhoused students  
16 of 2.17 square feet for each FTE student in the projected total  
17 district school enrollment if the proposed administrative offices will  
18 be housed in a school facility and the district demonstrates either  
19 that the existing central administrative offices are obsolete or that it  
20 is more practical to convert those offices to instructional space. To  
21 the extent that existing administrative space will continue to be used  
22 for administrative purposes, the space shall be included in the  
23 formulas set forth in section 7 of P.L.2000, c.72 (C.18A:7G-7).

24 If the commissioner approves excess facilities efficiency  
25 standards or additional area allowances pursuant to paragraph (1),  
26 (2), or (3) of this subsection, the commissioner shall calculate the  
27 preliminary eligible costs based upon the additional area allowances  
28 or excess facilities efficiency standards pursuant to the formulas set  
29 forth in section 7 of P.L.2000, c.72 (C.18A:7G-7). In the event that  
30 the commissioner does not approve the excess facilities efficiency  
31 standards or additional area allowances, the district may either:  
32 modify its submission so that the school facilities project meets the  
33 facilities efficiency standards; or pay for the excess costs.

34 (4) The commissioner shall approve spaces in excess of, or  
35 inconsistent with, the facilities efficiency standards, hereinafter  
36 referred to as nonconforming spaces, upon a determination by the  
37 district that the spaces are necessary to comply with State or federal  
38 law concerning individuals with disabilities, including that the  
39 spaces are necessary to provide in-district programs and services for  
40 current **[disabled]** pupils with disabilities who are being served in  
41 out-of-district placements or in-district programs and services for  
42 the projected **[disabled pupil]** population of pupils with disabilities.  
43 A district may apply for additional State aid for nonconforming  
44 spaces that will permit pupils with disabilities to be educated to the  
45 greatest extent possible in the same buildings or classes with their  
46 **[nondisabled]** peers without disabilities. The nonconforming  
47 spaces may: (a) allow for the return of pupils with disabilities from  
48 private facilities; (b) permit the retention of pupils with disabilities

1 who would otherwise be placed in private facilities; (c) provide  
2 space for regional programs in a host school building that houses  
3 both **【disabled and nondisabled】** pupils with and without  
4 disabilities; and (d) provide space for the coordination of regional  
5 programs by a county special services school district, educational  
6 services commission, jointure commission, or other agency  
7 authorized by law to provide regional educational services in a  
8 school building that houses both **【disabled and nondisabled】** pupils  
9 with and without disabilities. A district's State support ratio shall  
10 be adjusted to equal the lesser of the sum of its district aid  
11 percentage as defined in section 3 of P.L.2000, c.72 (C.18A:7G-3)  
12 plus 0.25, or 100 percent for any nonconforming spaces approved  
13 by the commissioner pursuant to this paragraph.

14 h. Upon approval of a school facilities project and  
15 determination of the preliminary eligible costs:

16 (1) In the case of a district other than an SDA district and an  
17 SDA district undertaking and financing a school facilities project  
18 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
19 Legislature as this bill), the commissioner shall notify the district  
20 whether the school facilities project is approved and, if so approved,  
21 the preliminary eligible costs and the excess costs, if any. Following  
22 the determination of preliminary eligible costs and the notification  
23 of project approval, the district may appeal to the commissioner for  
24 an increase in those costs if the detailed plans and specifications  
25 completed by a design professional for the school facilities project  
26 indicate that the cost of constructing that portion of the project  
27 which is consistent with the facilities efficiency standards and does  
28 not exceed the area allowances per FTE student exceeds the  
29 preliminary eligible costs as determined by the commissioner for  
30 the project by 10 percent or more. The district shall file its appeal  
31 within 30 days of the preparation of the plans and specifications. If  
32 the district chooses not to file an appeal, then the final eligible costs  
33 shall equal the preliminary eligible costs.

34 The appeal shall outline the reasons why the preliminary eligible  
35 costs calculated for the project are inadequate and estimate the  
36 amount of the adjustment which needs to be made to the  
37 preliminary eligible costs. The commissioner shall forward the  
38 appeal information to the development authority for its review and  
39 recommendation. If the additional costs are the result of factors  
40 that are within the control of the district or are the result of design  
41 factors that are not required to meet the facilities efficiency  
42 standards, the development authority shall recommend to the  
43 commissioner that the preliminary eligible costs be accepted as the  
44 final eligible costs. If the development authority determines the  
45 additional costs are not within the control of the district or are the  
46 result of design factors required to meet the facilities efficiency  
47 standards, the development authority shall recommend to the  
48 commissioner a final eligible cost based on its experience for

1 districts with similar characteristics, provided that, notwithstanding  
2 anything to the contrary, the commissioner shall not approve an  
3 adjustment to the preliminary eligible costs which exceeds 10  
4 percent of the preliminary eligible costs. The commissioner shall  
5 make a determination on the appeal within 30 days of its receipt. If  
6 the commissioner does not approve an adjustment to the school  
7 facilities project's preliminary eligible costs, the commissioner shall  
8 issue his findings in writing on the reasons for the denial and on  
9 why the preliminary eligible costs as originally calculated are  
10 sufficient.

11 (2) In the case of an SDA district, except for an SDA school  
12 district undertaking and financing a school facilities project  
13 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill), the commissioner shall promptly prepare  
15 and submit to the development authority a preliminary project  
16 report which shall consist, at a minimum, of the following  
17 information: a complete description of the school facilities project;  
18 the actual location of the project; the total square footage of the  
19 project together with a breakdown of total square footage by  
20 functional component; the preliminary eligible costs of the project;  
21 the project's priority ranking determined pursuant to subsection m.  
22 of this section; any other factors to be considered by the  
23 development authority in undertaking the project; and the name and  
24 address of the person from the district to contact in regard to the  
25 project.

26 i. Upon receipt by the development authority of the  
27 preliminary project report, the development authority, upon  
28 consultation with the district, shall prepare detailed plans and  
29 specifications and schedules which contain the development  
30 authority's estimated cost and schedule to complete the school  
31 facilities project. The development authority shall transmit to the  
32 commissioner its recommendations in regard to the project which  
33 shall, at a minimum, contain the detailed plans and specifications;  
34 whether the school facilities project can be completed within the  
35 preliminary eligible costs; and any other factors which the  
36 development authority determines should be considered by the  
37 commissioner.

38 (1) In the event that the development authority determines that  
39 the school facilities project can be completed within the preliminary  
40 eligible costs: the final eligible costs shall be deemed to equal the  
41 preliminary eligible costs; the commissioner shall be deemed to  
42 have given final approval to the project; and the preliminary project  
43 report shall be deemed to be the final project report delivered to the  
44 development authority pursuant to subsection j. of this section.

45 (2) In the event that the development authority determines that  
46 the school facilities project cannot be completed within the  
47 preliminary eligible costs, prior to the submission of its  
48 recommendations to the commissioner, the development authority

1 shall, in consultation with the district and the commissioner,  
2 determine whether changes can be made in the project which will  
3 result in a reduction in costs while at the same time meeting the  
4 facilities efficiency standards approved by the commissioner.

5 (a) If the development authority determines that changes in the  
6 school facilities project are possible so that the project can be  
7 accomplished within the scope of the preliminary eligible costs  
8 while still meeting the facilities efficiency standards, the  
9 development authority shall so advise the commissioner, whereupon  
10 the commissioner shall: calculate the final eligible costs to equal the  
11 preliminary eligible costs; give final approval to the project with the  
12 changes noted; and issue a final project report to the development  
13 authority pursuant to subsection j. of this section.

14 (b) If the development authority determines that it is not  
15 possible to make changes in the school facilities project so that it  
16 can be completed within the preliminary eligible costs either  
17 because the additional costs are the result of factors outside the  
18 control of the district or the additional costs are required to meet the  
19 facilities efficiency standards, the development authority shall  
20 recommend to the commissioner that the preliminary eligible costs  
21 be increased accordingly, whereupon the commissioner shall:  
22 calculate the final eligible costs to equal the sum of the preliminary  
23 eligible costs plus the increase recommended by the development  
24 authority; give final approval to the project; and issue a final project  
25 report to the development authority pursuant to subsection j. of this  
26 section.

27 (c) If the additional costs are the result of factors that are within  
28 the control of the district or are the result of design factors that are  
29 not required to meet the facilities efficiency standards or approved  
30 pursuant to paragraph (1) of subsection g. of this section, the  
31 development authority shall recommend to the commissioner that  
32 the preliminary eligible costs be accepted, whereupon the  
33 commissioner shall: calculate the final eligible costs to equal the  
34 preliminary eligible costs and specify the excess costs which are to  
35 be borne by the district; give final approval to the school facilities  
36 project; and issue a final project report to the development authority  
37 pursuant to subsection j. of this section; provided that the  
38 commissioner may approve final eligible costs which are in excess  
39 of the preliminary eligible costs if, in his judgment, the action is  
40 necessary to meet the educational needs of the district.

41 (d) For a school facilities project undertaken by the  
42 development authority, the development authority shall be  
43 responsible for any costs of construction, but only from the  
44 proceeds of bonds issued by the financing authority pursuant to  
45 P.L.2000, c.72 (C.18A:7G-1 et al.) and P.L.2007, c.137 (C.52:18A-  
46 235 et al.), which exceed the amount originally projected by the  
47 development authority and approved for financing by the  
48 development authority, provided that the excess is the result of an

1 underestimate of labor or materials costs by the development  
2 authority. After receipt by the development authority of the final  
3 project report, the district shall be responsible only for the costs  
4 associated with changes, if any, made at the request of the district to  
5 the scope of the school facilities project.

6 j. The development authority shall not commence the  
7 construction of a school facilities project unless the commissioner  
8 transmits to the development authority a final project report and the  
9 district complies with the approval requirements for the local share,  
10 if any, pursuant to section 11 of P.L.2000, c.72 (C.18A:7G-11).  
11 The final project report shall contain all of the information  
12 contained in the preliminary project report and, in addition, shall  
13 contain: the final eligible costs; the excess costs, if any; the total  
14 costs which equals the final eligible costs plus excess costs, if any;  
15 the State share; and the local share.

16 k. For the SDA districts, the State share shall be 100 percent of  
17 the final eligible costs. Except as otherwise provided pursuant to  
18 section 9 of P.L.2000, c.72 (C.18A:7G-9), for all other districts,  
19 including SDA districts that undertake and finance a school  
20 facilities project pursuant to section 3 of P.L. , c. (C. )  
21 (pending before the Legislature as this bill), the State share shall be  
22 an amount equal to the district aid percentage; except that the State  
23 share shall not be less than 40 percent of the final eligible costs.

24 If any district which is included in district factor group A or B,  
25 other than an SDA district, is having difficulty financing the local  
26 share of a school facilities project, the district may apply to the  
27 commissioner to receive 100 percent State support for the project  
28 and the commissioner may request the approval of the Legislature  
29 to increase the State share of the project to 100 percent.

30 l. The local share for school facilities projects constructed by  
31 the authority or a redevelopment entity shall equal the final eligible  
32 costs plus any excess costs less the State share.

33 m. (1) Within 90 days of the effective date of P.L.2007, c.137  
34 (C.52:18A-235 et al.), the commissioner shall develop an  
35 educational facilities needs assessment for each SDA district. The  
36 assessment shall be updated periodically by the commissioner in  
37 accordance with the schedule the commissioner deems appropriate  
38 for the district; except that each assessment shall at a minimum be  
39 updated within five years of the development of the district's most  
40 recent prior educational facilities needs assessment. The  
41 assessment shall be transmitted to the development authority to be  
42 used to initiate the planning activities required prior to the  
43 establishment of the educational priority ranking of school facilities  
44 projects pursuant to paragraph (2) of this subsection.

45 (2) Following the approval of an SDA district's long-range  
46 facilities plan or of an amendment to that plan, but prior to  
47 authorization of preconstruction activities for a school facilities  
48 project included in the plan or amendment, the commissioner shall



1 establish, in consultation with the SDA district, an educational  
2 priority ranking of all school facilities projects in the SDA district  
3 based upon the commissioner's determination of critical need in  
4 accordance with priority project categories developed by the  
5 commissioner. The priority project categories shall include, but not  
6 be limited to, health and safety, overcrowding in the early  
7 childhood, elementary, middle, and high school grade levels, spaces  
8 necessary to provide in-district programs and services for current  
9 disabled students who are being served in out-of-district placements  
10 or in-district programs and services for the projected disabled  
11 student population, rehabilitation, and educational adequacy.

12 (3) (a) Upon the commissioner's determination of the  
13 educational priority ranking of school facilities projects in SDA  
14 districts pursuant to paragraph (2) of this subsection, the  
15 development authority, in consultation with the commissioner, the  
16 SDA districts, and the governing bodies of the municipalities in  
17 which the SDA districts are situate, shall establish a Statewide  
18 strategic plan to be used in the sequencing of SDA district school  
19 facilities projects based upon the projects' educational priority  
20 rankings and issues which impact the development authority's  
21 ability to complete the projects including, but not limited to, the  
22 construction schedule and other appropriate factors. The  
23 development authority shall revise the Statewide strategic plan and  
24 the sequencing of SDA district school facilities projects in  
25 accordance with that plan no less than once every five years, except  
26 that the plan shall be updated within 120 days of the effective date  
27 of P.L.2023, c.311 (C.18A:7G-5b et al.). In addition to any other  
28 information that the development authority may deem appropriate,  
29 the Statewide strategic plan shall include a description of the  
30 project, which shall indicate whether the project will be new  
31 construction or renovation and whether the project will require the  
32 acquisition of land.

33 (b) In developing the Statewide strategic plan, the development  
34 authority shall prioritize:

- 35 (i) new construction projects;
- 36 (ii) projects located on land owned by the school district or other  
37 public entities; and
- 38 (iii) projects needed to replace school buildings that have been in  
39 use for 100 or more years.

40 (c) Any amendment to an SDA district's long-range facilities  
41 plan that is submitted to the commissioner in the period between the  
42 five-year updates of the long-range facilities plan shall be  
43 considered by the development authority, in consultation with the  
44 commissioner, for incorporation into the Statewide strategic plan.  
45 In making a determination on whether or not to amend the  
46 Statewide strategic plan, the development authority shall consider  
47 the cost of the amendment, the impact of the amendment upon the

1 school development plans for other districts, and other appropriate  
2 factors.

3 (d) Within 10 days following any update to the Statewide  
4 strategic plan, the development authority shall transmit the plan to  
5 the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
6 19.1), and to the members of the Senate Education Committee and  
7 the Assembly Education Committee, or any successor committees.

8 (4) In the case of a district other than an SDA district and an  
9 SDA district undertaking and financing a school facilities project  
10 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
11 Legislature as this bill), the commissioner shall establish a priority  
12 process for the financing of school facilities projects based upon the  
13 commissioner's determination of critical need in accordance with  
14 priority project categories developed by the commissioner. The  
15 priority project categories shall include, but not be limited to, health  
16 and safety, overcrowding in the elementary, middle, and high  
17 school grade levels, spaces necessary to provide in-district  
18 programs and services for current disabled students who are being  
19 served in out-of-district placements or in-district programs and  
20 services for the projected disabled student population, and full-day  
21 kindergarten facilities in the case of school districts required to  
22 provide full-day preschool pursuant to section 12 of P.L.2007, c.260  
23 (C.18A:7F-54).

24 n. The provisions of the "Public School Contracts Law,"  
25 N.J.S.18A:18A-1 et seq., shall be applicable to any school facilities  
26 project constructed by a district but shall not be applicable to  
27 projects constructed by the development authority or a  
28 redevelopment entity pursuant to the provisions of this act.

29 o. In the case of a school facilities project of a district other  
30 than an SDA district and an SDA district undertaking and financing  
31 a school facilities project pursuant to section 3 of P.L. , c. (C. )  
32 (pending before the Legislature as this bill), any proceeds of school  
33 bonds issued by the district for the purpose of funding the project  
34 which remain unspent upon completion of the project shall be used  
35 by the district to reduce the outstanding principal amount of the  
36 school bonds.

37 p. Upon completion by the development authority of a school  
38 facilities project, if the cost of construction and completion of the  
39 project is less than the total costs, the district shall be entitled to  
40 receive a portion of the local share based on a pro rata share of the  
41 difference based on the ratio of the State share to the local share.

42 q. The development authority shall determine the cause of any  
43 costs of construction which exceed the amount originally projected  
44 by the development authority and approved for financing by the  
45 financing authority.

46 r. (Deleted by amendment, P.L.2007, c.137).

47 s. (Deleted by amendment, P.L.2007, c.137).

48 (cf: P.L.2023, c.311, s.4)

1       3. (New section) a. An SDA district may undertake and finance  
2 a school facilities project and receive State debt service aid for the  
3 project, subject to the provisions of this section. An SDA district  
4 undertaking and financing a school facilities project pursuant to this  
5 section shall apply to the commissioner for approval of the project,  
6 as well as for the determination of preliminary eligible costs, final  
7 eligible costs, and excess costs, if any, in accordance with the  
8 applicable provisions of section 5 of P.L.2000, c.72 (C.18A:7G-5).  
9 A school facilities project to be undertaken and financed by an SDA  
10 district pursuant to this section shall be consistent with the district's  
11 long-range facilities plan developed pursuant to section 4 of  
12 P.L.2000, c.72 (C.18A:7G-4); provided, however, that the project is  
13 not included in the most recent educational priority ranking of  
14 school facilities projects pursuant to paragraph (2) of subsection m.  
15 of section 5 of P.L.2000, c.72 (C.18A:7G-5) and is not a project  
16 that has been identified for advancement in the most recent version  
17 of the Statewide strategic plan developed pursuant to paragraph (3)  
18 of subsection m. of P.L.2000, c.72 (C.18A:7G-5).

19       b. An SDA district undertaking and financing a school facilities  
20 project pursuant to this section shall be constructed and managed by  
21 the SDA district in accordance with the provisions of P.L.2000,  
22 c.72 (C.18A:7G-1 et al.) and any other applicable provision of law.  
23 Nothing in this section shall be construed as requiring the financing  
24 authority to be responsible for the issuance of the SDA district's  
25 school bonds or requiring the development authority to be  
26 responsible for the planning, design, construction management,  
27 acquisition, construction, and completion of the project. An SDA  
28 district undertaking a school facilities project pursuant to this  
29 section, which project is a capital maintenance project, shall not be  
30 required to receive authorization from the development authority to  
31 undertake the design, acquisition, construction, and all other  
32 appropriate actions necessary to complete the project, and shall not  
33 be subject to the requirements concerning the development  
34 authority's delegation of management of the project enumerated in  
35 section 13 of P.L.2000, c.72 (C.18A:7G-13). The school facilities  
36 project may, but is not required to, conform to the model school  
37 design program developed by the development authority pursuant to  
38 paragraph (2) of subsection h. of section 4 of P.L.2000, c.72  
39 (C.18A:7G-4).

40       c. An SDA district undertaking and financing a school facilities  
41 project pursuant to this section may issue school bonds to finance  
42 the total costs of the project in accordance with the provisions for  
43 the approval of capital projects pursuant to N.J.S.18A:22-1 et seq.,  
44 N.J.S.18A:24-1 et seq., and P.L.1991, c.139 (C.18A:7A-46.1 et  
45 seq.), as applicable to the district. The district shall be eligible to  
46 receive State debt service aid for school bonds issued pursuant to  
47 this subsection in accordance with the formula established pursuant  
48 to section 9 of P.L.2000, c.72 (C.18A:7G-9), provided that the

1 school facilities project for which school bonds are to be issued is  
 2 approved by the commissioner after the effective date of  
 3 P.L. , c. (C. ) (pending before the Legislature as this bill).

4  
 5 4. Section 9 of P.L.2000, c.72 (C.18A:7G-9) is amended to read  
 6 as follows:

7 9. a. State debt service aid for capital investment in school  
 8 facilities for a district other than an SDA district which elects not to  
 9 finance the project under section 15 of P.L.2000, c.72 (C.18A:7G-  
 10 15) and for an SDA district undertaking and financing a school  
 11 facilities project pursuant to section 3 of P.L. , c. (C. )  
 12 (pending before the Legislature as this bill), shall be distributed  
 13 upon a determination of preliminary eligible costs by the  
 14 commissioner, according to the following formula:

15 Aid is the sum of A for each issuance of school bonds issued for  
 16 a school facilities project of a district other than an SDA district,  
 17 which project is approved by the commissioner after the effective  
 18 date of P.L.2000, c.72 (C.18A:7G-1 et al.), and for each issuance of  
 19 school bonds issued for a school facilities project of an SDA district  
 20 undertaking and financing a school facilities project pursuant to  
 21 section 3 of P.L. , c. (C. ) (pending before the Legislature  
 22 as this bill), which project is approved by the commissioner after  
 23 the effective date of P.L. , c. (C. ) (pending before the  
 24 Legislature as this bill)

25 where

26  $A = B \times AC/P \times DAP \times M$ , with  $AC/P = 1$

27 whenever  $AC/P$  would otherwise yield a number greater than one,  
 28 and where:

29 B is the district's debt service for the individual issuance for the  
 30 fiscal year;

31 AC is the preliminary eligible costs determined pursuant to  
 32 section 7 of P.L.2000, c.72 (C.18A:7G-7);

33 P is the principal of the individual issuance plus any other  
 34 funding sources approved for the school facilities project;

35 DAP is the district's district aid percentage as defined pursuant to  
 36 section 3 of P.L.2000, c.72 (C.18A:7G-3) and where DAP shall not  
 37 be less than 40 percent. If the project's design incorporates the  
 38 implementation of energy efficiency improvements or the  
 39 installation of energy efficient features or equipment, the DAP shall  
 40 be increased by no more than five percent. In order to qualify for a  
 41 DAP increase for the implementation of energy efficiency  
 42 improvements or the installation of energy efficient features or  
 43 equipment pursuant to this subsection, a district shall submit to the  
 44 development authority and Department of Education a certification,  
 45 along with evidential documentation, attesting that the project's  
 46 design incorporates the implementation of energy efficiency  
 47 improvements or the installation of energy efficient features or  
 48 equipment; and

1 M is a factor representing the degree to which a district has  
2 fulfilled maintenance requirements for a school facilities project  
3 determined pursuant to subsection b. of this section.

4 For county special services school districts, DAP shall be that of  
5 the county vocational school district in the same county.

6 Notwithstanding the provisions of this subsection to the contrary,  
7 DAP for a county vocational school district school facilities project  
8 that is approved by the commissioner following the effective date of  
9 P.L.2009, c.185 shall equal the greater of the district's district aid  
10 percentage as defined pursuant to section 3 of P.L.2000, c.72  
11 (C.18A:7G-3) or the percentage of the students in the county  
12 vocational school district's resident enrollment who reside in SDA  
13 districts; except that DAP shall not be less than 40 percent or  
14 greater than 90 percent.

15 b. The maintenance factor (M) shall be 1.0 except when one of  
16 the following conditions applies, in which case the maintenance  
17 factor shall be as specified:

18 (1) Effective ten years from the date of the enactment of  
19 P.L.2000, c.72 (C.18A:7G-1 et al.), the maintenance factor for aid  
20 for reconstruction, remodeling, alteration, modernization,  
21 renovation or repair, or for an addition to a school facility, shall be  
22 zero for all school facilities projects for which the district fails to  
23 demonstrate over the ten years preceding issuance a net investment  
24 in maintenance of the related school facility of at least two percent  
25 of the replacement cost of the school facility, determined pursuant  
26 to subsection b. of section 7 of P.L.2000, c.72 (C.18A:7G-7) using  
27 the area cost allowance of the year ten years preceding the year in  
28 which the school bonds are issued.

29 (2) For new construction, additions, and school facilities aided  
30 under subsection b. of section 7 of P.L.2000, c.72 (C.18A:7G-7)  
31 supported by financing issued for projects approved by the  
32 commissioner after the effective date of P.L.2000, c.72 (C.18A:7G-  
33 1 et al.), beginning in the fourth year after occupancy of the school  
34 facility, the maintenance factor shall be reduced according to the  
35 following schedule for all school facilities projects for which the  
36 district fails to demonstrate in the prior fiscal year an investment in  
37 maintenance of the related school facility of at least two-tenths of  
38 one percent of the replacement cost of the school facility,  
39 determined pursuant to subsection b. of section 7 of P.L.2000, c.72  
40 (C.18A:7G-7).

Maintenance Percentage	Maintenance Factor (M)
.199% - .151%	75%
.150% - .100%	50%
Less than .100%	Zero

45 (3) Within one year of the enactment of P.L.2000, c.72  
46 (C.18A:7G-1 et al.), the commissioner shall promulgate rules  
47 requiring districts to develop a long-range maintenance plan and

1 specifying the expenditures that qualify as an appropriate  
2 investment in maintenance for the purposes of this subsection.

3 c. Any district which obtained approval from the commissioner  
4 since September 1, 1998 and prior to the effective date of P.L.2000,  
5 c.72 (C.18A:7G-1 et al.) of the educational specifications for a  
6 school facilities project or obtained approval from the Department  
7 of Community Affairs or the appropriately licensed municipal code  
8 official since September 1, 1998 of the final construction plans and  
9 specifications, and the district has issued debt, may elect to have the  
10 final eligible costs of the project determined pursuant to section 5 of  
11 P.L.2000, c.72 (C.18A:7G-5) and to receive debt service aid under  
12 this section or under section 10 of P.L.2000, c.72 (C.18A:7G-10).

13 Any district which received approval from the commissioner for  
14 a school facilities project at any time prior to the effective date of  
15 P.L.2000, c.72 (C.18A:7G-1 et al.), and has not issued debt, other  
16 than short term notes, may submit an application pursuant to section  
17 5 of P.L.2000, c.72 (C.18A:7G-5) to have the final eligible costs of  
18 the project determined pursuant to that section and to have the New  
19 Jersey Economic Development Authority construct the project; or,  
20 at its discretion, the district may choose to receive debt service aid  
21 under this section or under section 10 of P.L.2000, c.72 (C.18A:7G-  
22 10) or to receive a grant under section 15 of P.L.2000, c.72  
23 (C.18A:7G-15).

24 For the purposes of this subsection, the "issuance of debt" shall  
25 include lease purchase agreements in excess of five years.

26 d. For school bonds issued for a school facilities project after  
27 the effective date of P.L.2000, c.72 (C.18A:7G-1 et al.) and prior to  
28 the effective date of P.L.2008, c.39 (C.18A:7G-14.1 et al.), State  
29 debt service aid shall be calculated in accordance with the  
30 provisions of this section as the same read before the effective date  
31 of P.L.2008, c.39 (C.18A:7G-14.1 et al.).

32 (cf: P.L.2023, c.311, s.6)

33

34 5. This act shall take effect immediately.

35

36

37

#### STATEMENT

38

39 This bill allows an SDA (former Abbott) school district to  
40 receive State debt service aid for school bonds issued to finance the  
41 costs of school facilities projects constructed by the district. The  
42 bill specifies that the school facilities project, for which an SDA  
43 district would be able to receive State debt service aid, is to be  
44 approved by the Commissioner of Education in accordance with  
45 procedures in current law that are applicable to school districts  
46 other than SDA districts. The SDA district may issue school bonds  
47 to finance the total costs of the project, in which case the issuance  
48 of the bonds would require voter approval pursuant to procedures

1 laid out in current law concerning school bond referenda. The bill  
2 prohibits an SDA district from seeking debt service aid for a project  
3 that is: 1) included in the most recent educational priority ranking  
4 of SDA district school facilities projects, which ranking is  
5 developed by the Commissioner of Education under current law; or  
6 2) identified for advancement in the most recent version of the  
7 Statewide strategic plan for SDA district school facilities projects,  
8 which plan is established by the Schools Development Authority.

9 Current State law gives the Schools Development Authority the  
10 general responsibility of managing the new construction,  
11 modernization, and renovation of school facilities projects in SDA  
12 districts. The State is responsible for 100 percent of the eligible  
13 costs of SDA district school facilities projects. Meanwhile, school  
14 districts other than SDA districts are eligible for State debt service  
15 aid for school bonds issued to finance the total costs of a school  
16 facilities project. For districts that have issued these school bonds,  
17 current law provides that the State will provide support at a  
18 minimum of 40 percent of eligible project costs.

19 Even though SDA districts are able to benefit from 100 percent  
20 State support for school facilities projects that are constructed by  
21 the Schools Development Authority, the districts may at times  
22 experience delays in addressing their facilities needs as the Schools  
23 Development Authority constructs other projects. While the SDA  
24 districts may currently seek voter approval to issue bonds for school  
25 facilities projects, current State law does not provide them the  
26 ability to receive State support for those bonds through debt service  
27 aid. This bill would permit SDA districts to issue the bonds, subject  
28 to voter approval, and receive debt service aid to support project  
29 costs.