

## MEMORANDUM

SUBJECT: P.L. 2008, Ch. 39 Synopsis

DATE: July 29, 2008

---

Signed by Governor Corzine on July 9, 2008, this law amends the “Educational Facilities Construction and Financing Act,” (EFCFA) P.L.2000, c.72, to increase the amount of bonds authorized to be issued by the New Jersey Economic Development Authority to finance the State share of school facilities projects.

**The law authorizes an additional \$2.9 billion to finance the State share of SDA district school facilities projects (former Abbott districts), and \$1 billion to finance the State share of all other district school facilities projects with \$50 million of that \$1 billion set aside for the State share of county vocational school district projects.**

The law specifies that the school facilities projects of those county vocational school districts that did not receive State support for their projects (Atlantic, Mercer & Essex) under the allocation made under the original law will receive priority in the allocation of the additional bond proceeds, provided that the district demonstrates to the commissioner the need for its school facilities projects.

**The law directs the Commissioner of Education to establish a priority process for the financing of school facilities projects in non-SDA districts** in accordance with priority project categories developed by the commissioner.

Under P.L.2007, c.137, which became effective in August of 2007, priority project categories were established for the SDA districts. Under the law, the priority project categories for non-SDA districts will include, but not be limited to, health and safety, overcrowding in the elementary, middle, and high school grade levels, spaces necessary to provide in-district programs for disabled students who are currently being served in out-of-district programs or in-district programs for the projected disabled student population, and full-day kindergarten facilities in the case of a school district that is required to provide full-day preschool under the provisions of the State’s school funding law, the “School Funding Reform Act of 2008,” P.L.2007, c.260.

The law eliminates the current provision of the school construction law that increases a school district’s district aid percentage by 15% for the purposes of the calculation of the State share of a school facilities project, but **maintains the current minimum State share of 40%.**

**The law directs the Commissioner of Education to establish a process for the annual allocation of school facilities project grant funding available to non-SDA districts.**

Under that process, the commissioner will annually notify districts of the date on which the commissioner will begin to receive applications for grant funding. A district will have 90 days from that date to submit an application. The commissioner will make a decision on a district's application within 90 days of the submission of all such applications and will allocate the grant funding in accordance with the priority process established by the commissioner.

**The law directs the New Jersey Schools Development Authority, in consultation with the Commissioner of Education and program stakeholders, to conduct a study on the potential cost savings in the school construction program in SDA and other school districts that could be realized through the use of standardized design elements, components, and construction materials.**

The study must be submitted to the Governor, the Joint Budget Oversight Committee, the President of the Senate, and the Speaker of the General Assembly by April 1, 2009.

**Finally, the law directs the development authority, in consultation with the State Comptroller, to cause an audit to be conducted of any school facilities project that has a State share that exceeds \$10 million.**