

## CHAPTER 117

AN ACT establishing the "School Construction Review Commission."

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

1. The Legislature finds and declares that:
  - a. legislation providing increased State funding for the construction and renovation of public school facilities, the "Educational Facilities Construction and Financing Act" (EFCFA) P.L.2000, c.72, was enacted in July of 2000. EFCFA provided \$8.6 billion in State funds through the issuance of bonds of the New Jersey Economic Development Authority for the improvement of school facilities, including \$6 billion to fund construction and renovation in the Abbott districts as ordered by the New Jersey Supreme Court, \$100 million to fund the State share of county vocational school district school facilities projects, and \$2.5 billion for the State share of school facilities projects in all other districts;
  - b. on September 28, 2004, a little more than three years after the law's enactment, the public was informed that the funding provided under EFCFA would most likely be depleted by January of 2006, well before the school facilities needs in the Abbott and other districts have been met;
  - c. given the significant amount of State funds allocated to the school construction program and the concern that not all school construction needs have yet been met, it is essential that a thorough review be undertaken concerning all facets of the school construction program as established under EFCFA to study the need for the allocation of additional funds to the program and to determine if the funds provided to date have been spent in an efficient and cost effective manner; and
  - d. it is, therefore, of critical importance to this State, its school districts, and the 1.5 million public school students educated within those districts that the "School Construction Review Commission" be established to thoroughly review the school construction program as implemented to date and to provide recommendations on the future direction of that program.
2. There is established a commission to be known as the "School Construction Review Commission." The commission shall consist of 19 members as follows: two members of the Senate to be appointed by the President of the Senate, which members shall not be of the same political party; two members of the General Assembly to be appointed by the Speaker of the General Assembly, which members shall not be of the same political party; the Commissioner of Education, ex officio, or a designee; the chief executive officer of the New Jersey Schools Construction Corporation, ex officio, or a designee; the State Treasurer, ex officio, or a designee; the executive director of the Education Law Center, ex officio, or a designee; the chair and the vice-chair of the Joint Committee on the Public Schools; and nine members to be appointed by the Governor, no more than five of whom shall be of the same political party. Six of the members shall be public members who have knowledge and experience in the school construction business, including one from the building and construction trades, one who is a superintendent of schools, and one who is a member of a board of education. Three of the members shall be municipal officials in municipalities in which the New Jersey Schools Construction Corporation has undertaken the construction of a school facilities project.
3. Appointments to the commission shall be made within 30 days of the effective date of this act. Vacancies in the membership of the commission shall be filled in the same manner as the original appointments were made. Members of the commission shall serve without compensation but shall be entitled to their actual and necessary expenses incurred in the performance of their duties pursuant to this act.
4. a. The commission shall organize within 30 days after the appointment of its members and shall select a chairperson and a vice-chairperson from among its members and a secretary who need not be a member of the commission.
  - b. The commission shall retain and may remove at its pleasure an executive director and such other personnel as the commission may deem necessary for the performance of its duties and shall fix their compensation within the amounts made available. The commission may also contract with outside experts and organizations as the commission may deem necessary within the amounts made available.

5. It shall be the duty of the commission to gather information and report to the Governor and the Joint Committee on the Public Schools concerning the following:

a. the status of the implementation of each public school district's long-range facilities plan, including, but not limited to:

(1) the number and type of school facilities projects included in the plan;

(2) the number of projects included in the district's plan which have been submitted to the Commissioner of Education for approval, the number of submitted projects which have received the approval of the commissioner, the number of those projects which have been approved by the voters of the district or the board of school estimate, as applicable, the number of approved projects for which construction has been initiated, and the number of approved projects for which construction is pending;

(3) the total cost of each approved school facilities project, including preliminary eligible costs, final eligible costs, excess costs, if any, and the State share of the school facilities project;

(4) in the case of school facilities projects which have been undertaken by the New Jersey Schools Construction Corporation, information on the number of those projects which have been completed within the final eligible costs, the area cost allowance used in calculating the preliminary and final eligible costs of the project, and the actual area cost allowance required to complete the project;

(5) in the case of school facilities projects which have been undertaken by the New Jersey Schools Construction Corporation, the administrative and any other costs of the corporation associated with the management and completion of the project, and a comparison of those administrative and other costs to projects managed at the district level; and

(6) the total administrative and other costs, including bond issuance costs, incurred by the New Jersey Economic Development Authority, the New Jersey Schools Construction Corporation, and the Department of Education in the implementation of the school construction program to date, and the sources of funding for those costs;

b. (1) the adequacy of State funds authorized under the provisions of the "Educational Facilities Construction and Financing Act," P.L.2000, c.72 (C.18A:7G-1 et al.), to meet the school facilities needs of public school districts as established in the long-range facilities plans of the districts; and

(2) an assessment of alternative financing mechanisms that could provide innovative methods for structuring and financing school facilities projects, including, but not limited to, sale/leaseback and lease/leaseback, nonprofit participation and real estate investment trusts (REIT);

c. a description and evaluation of the work of the Office of Diversity and Emerging Business Markets to determine the extent to which its goal of increasing the availability and accessibility of construction opportunities for small businesses and businesses owned by women and minorities and to residents of the State has been accomplished; and

d. a description and evaluation of the Workforce Pre-Apprenticeship Training Program to determine the extent to which its goal of establishing pre-apprenticeship training programs targeting Abbott District municipalities has been accomplished and resulted in training and employment for municipal residents.

6. The Department of Education shall provide such stenographic, clerical and other administrative assistants, and such professional staff as the commission requires to carry out its work. The commission shall also be entitled to call to its assistance and avail itself of the services of the employees of any State, county or municipal department, board, bureau, task force or agency as it may require and as may be available for its purposes.

7. The commission shall meet at least monthly and at the call of the chair. A meeting of the commission shall be called upon the request of a majority of the commission's members and the presence of a majority of the authorized membership shall be required for the conduct of official business. The commission shall issue an initial report to the Governor and the Joint Committee on the Public Schools no later than six months following its organizational meeting. The Joint

Committee on the Public Schools shall review the initial report and present the results of its review to the Legislature.

The commission shall issue a final report to the Governor and the Joint Committee on the Public Schools six months after its initial report. The Joint Committee on the Public Schools shall review the final report and present the results of its review to the Legislature.

8. This act shall take effect immediately and the commission shall expire upon the issuance of its final report

Approved June 29, 2005.