

POSITIONS AND POLICIES ON EDUCATION

Financing

FILE CODE

7300

Commissioner's Authority to Overrule Bond Proposal Defeat

The NJSBA believes the Commissioner of Education, upon application of the local board, should have the authority to overrule voter defeat of a bond proposal where the construction contemplated is necessary for the district to provide a thorough and efficient education. *[Authority: Executive Committee, February 11, 1981, DA 5/97-CR (School Finance), DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

Developers' Impact Fees

- A. **The NJSBA believes** that developers should be required to contribute, in the form of separate impact fees, towards the cost of constructing the additional educational facilities necessitated by residents of a new development. *[Authority: DA 12/72-6, DA 5-73-CR Rapidly Growing Districts, DA 6/94-3, DA 5/97- CR (School Finance) DA 5/98-SR]*
- B. **The NJSBA believes** that the impact fees should be collected uniformly throughout the municipality, be kept locally and be applied exclusively to local school use. *[Authority: DA 12/72-6, DA 5-73-CR Rapidly Growing Districts, DA 6/94-3, DA 5/97-CR (School Finance), DA 5/98-SR]*
- C. **The NJSBA believes** that the impact fees should be segregated upon collection in a separate municipal account to be transferred to the school district's capital reserve or debt service account. A study should be done to determine how fees would be divided between schools and recreation groups. *[Authority: DA 12/72-6, DA 5-73-CR Rapidly Growing Districts, DA 6/94-3, DA 5/97- CR (School Finance) DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

Lease-Purchase Agreements

- A. **The NJSBA believes** boards of education should be able to acquire school facilities through lease-purchase agreements, secured by a state sponsored reserve fund. *[Authority: DA 12/69- 8 DA 5/72-11, DA 12/89-CR (Lease Purchase) DA 5/97-CR (School Finance), DA 5/98-SR]*
- B. **The NJSBA believes** that lease obligation payments should be considered mandatory yearly appropriations, which would enhance their credit worthiness in the marketplace and thus reduce the costs associated with implementing a lease/purchase transaction. *[Authority: DA 12/69-8, DA 5/72-11, DA 12/89-CR (Lease Purchase), DA 5/97-CR (School Finance), DA 5/98-SR]*
- C. **The NJSBA believes** that in order to give boards of education parity with other governing bodies in obtaining funds for the construction of capital projects the vote on bond referendums should be eliminated, and in its place the same type of review and approval that currently controls lease/purchase agreements should be instituted. *[Authority: DA 12/69-8, DA 5/72-11, DA 12/89-CR (Lease Purchase) DA 5/97-CR (School Finance), DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

Bond Banking

The NJSBA believes boards of education should be able to establish a bond bank or similar reserve, which would provide funds for school district construction and repairs. *[Authority: DA 12/73-CR Bond Bank, DA 5/97-CR (School Finance), DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

Tax-Exempt Status of Bonds

The NJSBA believes there should not be any attempts to eliminate or modify the tax-exempt status of government bonds in a manner detrimental to school districts. *[Authority: DA 12/69-13, DA 6/85-A, DA 5/97-CR (School Finance), DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

Extension of Time for Bond Anticipation Notes

The NJSBA believes boards of educations should be permitted to postpone the sale of permanent school bonds during times of unusually high interest rates, subject to appropriate safeguards. *[Authority: DA 12/81-2, DA 5/97-CR (School Finance), DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

Additional School Building Aid

The NJSBA believes there should not be a limit on the additional school building aid school districts are eligible to receive for the payment of debt service. *[Authority: DA 5/73-CR Growing Districts, DA 5/97-CR (School Finance), DA 5/98-SR, DA 5/03-SR, DA 11/07-SR, DA 11/12-SR, DA 11/17-SR]*

- Cross References:**
- 1400 Relations between other governmental agencies and the district
 - 1430 State and national units
 - 3100 Budget Planning, Preparation and Adoption
 - 3210 Local funds
 - 3270 Sale, licensing and rental of property
 - 7110 Long-range facilities planning

Key Words: bonds, impact fees, lease-purchase