

**Procedure for Counties
to Obtain State Share
of Debt Service
for Chapter 12 Projects**

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Chapter 12

Public Law 1971 defines Chapter 12 as a self-renewing capital funding program for the community colleges. Under the program, counties issue bonds for new construction, acquisition, expansion or capital renewal and replacement (CRR) and the State shares the debt service equally with the counties. As the bonds are retired, authorization to allocate funds is renewed.

Procedure for Counties to Obtain State Share of Debt Service for Chapter 12 Projects

The Department of Treasury notifies the County when the Chapter 12 reservation for its College has been approved. (See Appendix for the procedure used by colleges to obtain a Chapter 12 reservation.) Treasury also indicates the time frame within which the County must then float long-term bonds in order to obtain the State share of the debt service. To obtain the state share of Chapter 12 debt service, Counties must provide the following information to Treasury:

1. Certification by the County

A certification document for the county share of the debt service. (Attachment A)

or

A Board of Chosen Freeholder Resolution. (Bond Ordinance)

2. Project Costs/Certification

A detailed description of project costs is submitted with certification by a New Jersey licensed architect or engineer stating that the costs are reasonable. (Attachment B)

3. Proposed Maturity Schedule (2 weeks prior to actual bond sale)

Two weeks prior to the bond sale, the date of the bond sale (Attachment C) along with a proposed maturity schedule must be submitted. (Attachment D)

4. State Approval




Treasury approves the proposed maturity schedule and sets the maximum interest rate for the issuance of County College Bonds. (Attachment E)

5. Bond Sale

After approval is received, County is authorized by the State to float Chapter 12 bonds.

6. Securing State Share of Debt Service

The County submits to Treasury:

-  Premium and Accrued Interest Payment on the State portion of the bonds sold (Attachment F)
-  Bond Debt Service Statement (Attachment G)
-  Wire Instructions (Attachment H)

Certification by the County

A certification document:

The _____ County Board of Freeholders, acting pursuant to a resolution of the _____ County Community College Board of School Estimate adopted on (Date), has adopted an ordinance (# _____) authorizing the issuance of bonds in the total amount of \$ _____ for financing of the county community college project: _____, pursuant to the provision of N.J.S.A. 18A:64A-22.1 et seq., subject to certification by the State Treasurer.

_____	_____
DATE	TITLE
	Director of County Board of Freeholders

Or other appropriate County Representative

-OR-

A copy of the actual Board of Chosen Freeholder Resolution (Bond Ordinance)

Project Costs/Certification

A detailed description of the project shall be provided with a certification by a New Jersey licensed architect or engineer that the project costs are reasonable.

To be submitted 2 weeks prior to bond sale:

Provide the following information in a letter addressed to:

Mr. David K. Moore, Deputy Director
Office of Public Finance
Department of the Treasury
State of New Jersey
PO Box 005
Trenton, NJ 08625

Enclosed please find the proposed maturity schedule for the upcoming sale of Chapter 12 bonds. The sale is scheduled for _____. If the maturity schedule meets with your approval, please have the Treasurer approve the proposed maturity schedule and maximum interest rate.

Sincerely,

Proposed Maturity Schedule (submitted 2 weeks prior to bond sale).

MATURITY SCHEDULE
COUNTY OF _____

STATE OF NEW JERSEY

_____ County College Bonds, Series _____

YEAR

PRINCIPAL AMOUNT

Form of State Approval

A letter will be received by the county from the State of New Jersey as follows:

Approval of
Proposed Maturity Schedule
and Maximum Interest Rate

TO: _____
County Treasurer
County of _____

In accordance with N.J.S.A. 18A:64A-22.1 et seq. And N.J.A.C. 17:16-33.1 et seq., I hereby approve the proposed maturity schedule and hereby set a rate of _____% as the maximum interest rate for the issuance of County College Bonds of _____ (State Supported, Chapter 12) as contained in the letter dated _____.

With respect to the State portion of the Chapter 12 bonds, you are hereby directed to issue a check payable to the New Jersey State Treasurer for any accrued interest or premium you may receive from the sale. Also enclosed should be a letter including 1) the breakdown of accrued interest and premium, 2) the final maturity schedule, including the principal and interest of the State Supported Chapter 12 bonds, and 3) the wire instructions for the State Supported debt service. This information is to be sent to David Moore, Office of Public Finance, PO Box 005, Trenton, NJ 08625.

Date _____

Premium and Accrued Interest Payment

Provide the following information in a letter addressed to:

Mr. David K. Moore
Office of Public Finance
Department of the Treasury
State of New Jersey
PO Box 005
Trenton, NJ 08625

RE: County of _____ : County College Bonds, _____-State's
Share
(Monies received from: _____)

Dear Mr. Moore:

Enclosed herewith is check # _____ in the amount of \$ _____ for the
premium amount and accrued interest on the State's share of the \$
Bond Issue.

Also enclosed herewith is the bond debt service statement on the \$
owed by the State in addition to the wire instructions.

Sincerely,

Bond Debt Service Statement

Please note if the payment date of debt service due to the Trustee is different than the payment date of debt service to the bond holders.

BOND DEBT SERVICE

County of _____, New Jersey
County College Bonds, Series _____

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt</u>
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Wire Instructions

County of _____
_____ Bond Sale
Chapter 12 Assistance

Wire Instructions

Paying Agent: <Name>
 <Address>

Bank Account No.:

Bank ABA No.:

Appendix

Appendix

Procedure for Colleges to Obtain a Reservation for Chapter 12 Projects

The Department of Treasury provides the Council of County Colleges with the total amount of funding available in each Chapter 12 funding cycle. The following indicates the steps required for colleges to secure an allocation.

- 1. Colleges must annually submit their request for a Chapter 12 funding allocation to the Chair of the Collaboration/Operations Committee through the Council at 330 West State Street, Trenton, NJ 08618. Colleges must submit all required documentation:**
- 2. The Collaboration/Operations Committee recommends to the Council an allocation amount for each participating college in the funding cycle.**
- 3. The Council approves the recommendation and notifies the Department of Treasury and the colleges of their allocations.**
- 4. The Department of Treasury notifies the colleges and the counties of their allocations and timeline to issue bonds in order for the state to share equally in the bonds' debt service payments.**