

EXPLANATORY STATEMENT

PROPOSAL: In the effort to reduce school district operating and facilities expenses, particularly in light of recent State aid cuts, and to provide upgraded school facilities, the Board is seeking to consolidate its school facilities into one facility through the expansion and renovation/upgrade of the Middle School and the demolition and closing of the Elementary School.

FUNDING FOR THE PROJECTS: The total project costs are \$14.99 million with the State agreeing to contribute approximately \$2.5 million towards the costs. This State funding is contingent on the passing of the Proposal. In addition, the Board anticipates further reducing the cost by applying \$2 million of Capital Reserve Funds to the project cost. The cost of about \$12.99 million will be financed through long-term bonds. The State contribution will be in the form of debt service aid on such long-term bonds.

PROPOSAL

The Board of Education of the Township of Alexandria in the County of Hunterdon, New Jersey is authorized to (a) consolidate its school facilities into one facility through the expansion and renovation/upgrade of the Middle School and the demolition and closing of the Elementary school; (b) expend not to exceed \$14,994,229 on the project; (c) apply \$2,000,000 of Capital Reserve Funds towards the Project and (d) and issue bonds in an amount not to exceed \$12,994,229 for such projects. The State has agreed to provide debt service aid in the amount of 40% of the “final eligible costs” of the school facilities project. \$7,329,385 of the costs of the project are “final eligible costs.” The Local Shares may be transferred amongst the projects. The project includes \$2,145,000 school facilities construction elements in addition to the facilities efficiency standards developed by the Commissioner of Education, or that are not otherwise eligible for State support pursuant to N.J.S.A. 18A:7G-5(g).