

CHAPTER 31**DORMITORY SAFETY TRUST FUND****Authority**

N.J.S.A. 52:27D-198, P.L. 2000, c.56 and P.L. 1983, c.383.

Source and Effective Date

R.2001 d.40, effective December 22, 2000
(to expire February 20, 2001).
See: 33 N.J.R. 326(a)

Chapter Historical Note

Chapter 31, Dormitory Safety Trust Fund, was adopted as emergency new rules by R.2001 d.40, effective December 22, 2000 (to expire February 20, 2001). See: Source and effective date.

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SUBCHAPTER 1. GENERAL PROVISIONS**17:31-1.1 Purpose and authority**

This chapter is established to implement the Dormitory Safety Trust Fund Act, N.J.S.A. 52:27D-198 et seq. (the "Act").

17:31-1.2 Scope

This chapter establishes the requirements and procedures for making available loans to schools and institutions of higher education so as to ensure the timely installation of automatic fire suppression systems in dormitories and similar accommodations.

17:31-1.3 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Act" means the Dormitory Safety Trust Fund Act, P.L. 2000, c.56.

"Authority" means the New Jersey Educational Facilities Authority or any board, body, commission, department, or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Authority shall be given by law.

"Common areas" means those areas within a building which are normally accessible to all residents, including the corridors, lounge or lobby areas, and areas which contain elements of fire hazards, such as boiler rooms.

"DCA" means the Department of Community Affairs.

"Department" means the Department of the Treasury.

"Dormitory" means a building, or portions thereof, containing rooms which are provided as residences or for overnight sleeping for individuals or groups, and includes those residences utilized by fraternities or sororities which are recognized by or owned by a school or institution of higher education, but does not include those residences or multiple dwellings which are not recognized by or owned by a school or institution of higher education.

"Equipped throughout" means installed in the common areas as well as in the areas utilized for sleeping within a dormitory.

"Independent" means an individual or any other business entity that has no interest, either financial or otherwise, in the business operations and financial position of the organization it is servicing.

"Institution" means a public or private four-year institution of higher education that is eligible to receive State aid.

"Loan agreement" means that agreement which is entered into by the Authority and a school or an institution for the purpose of providing funds to the school or institution to finance the installation of automatic fire suppression systems in dormitories and similar uses.

"Plan" means the plan of compliance of a school or institution, as approved by the DCA, pursuant to N.J.A.C. 5:70-4.5.

“School” means a secondary school, military school, or a boarding school.

“Trust fund” means the Dormitory Safety Trust Fund created within the Authority pursuant to the N.J.S.A. 18A:72A-12.6(a).

SUBCHAPTER 2. APPLICATION PROCESS

17:31-2.1 Loan application requirements

(a) In order for a school or an institution to apply for loan funds, its application is to be filed with the Department no later than February 28, 2001, unless at the discretion of the Treasurer an extension has been granted, and shall include the following:

1. A copy of the school or institution’s plan. The plan shall outline the total fire protection project, including automatic fire sprinkler system installation, and its estimated costs which shall be limited to those covered by the National Fire Protection Association (NFPA) Standards 13, 13R and 13D, as applicable;

2. A copy of the resolution, adopted by the governing board or trustees of the school or institution, authorizing the school or institution to apply for a loan and enter into a loan agreement with the Authority in which the school or institution shall agree to repay the loan according to the terms of the Authority’s Loan Agreement;

3. A certification of an independent licensed architect/engineer or other certification acceptable to the Treasurer regarding the method by which costs were determined;

4. For projects that have gone through the competitive bid process prior to the filing of the application, copies of the applicable cost proposals submitted for which the contract award(s) have been or will be made;

5. Where total costs incurred and applied for by the school or institution include the time period between July 6, 1999 and July 5, 2000, proof that work had begun as of those dates. Said proof shall be a copy of the contract with an architect/engineer and/or contractor and proof that payments have been made pursuant to same;

6. A certification of an independent licensed architect/engineer or other certification acceptable to the Treasurer that the costs contained in the application are limited to those covered by the NFPA Standards 13, 13R and 13D, as applicable. The certification shall read as set forth below, provided that the form of certification may be modified by the Treasurer, in his or her discretion, “I, [name of architect/engineer] am a licensed architect/engineer, employed by [name of company, architectural/engineering firm]. I hereby certify that the estimated cost of [\$0000.00] for the proposed fire protection/fire suppression project at [name of institution/school/facility] satisfies the requirements set forth in the National Fire Protection Association Standards 13, 13R and 13D, as applicable, and reflects an accurate estimate of the total costs associated with the project, including automatic fire sprinkler system installation. I certify that the loan amount requested in the application herewith represents only the costs directly related to satisfying the requirements set forth in the National Fire Protection Association Standards 13, 13R, and 13D, as applicable. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing are willfully false, I am subject to punishment.”; and

7. Any other such information that the Treasurer may deem necessary.

17:31-2.2 Loan approvals, disapprovals and modifications

(a) The Treasurer shall review each application and approve, disapprove, amend or modify the loan request. The Treasurer shall consider for approval a loan request that meets the funding criteria as set forth in the plan for the school or institution. For purposes of the Dormitory Safety Trust Fund and Life Safety Improvement loan programs, automatic fire sprinkler system components shall be limited to those covered by the NFPA Standards 13, 13R and 13D, as applicable. Loan amounts disbursed from the trust fund to finance a school’s or institution’s plan or a portion thereof may not exceed the costs stated in the plan of the school or institution.

(b) Upon approval, the Treasurer shall authorize the first year’s funding for the school or institution consistent with its plan. As to funding for subsequent years, such funding will be determined and authorized by the Treasurer, based upon an analysis of the progress of the project as evidenced in the quarterly progress reports filed by the school or institution with the DCA, and any other information that the Treasurer may deem necessary. Such reports shall reflect timely compliance with the plan of the school or institution. Approved loan applications will be funded in accordance with the Treasurer’s schedule for disbursement of funds.

(c) The Treasurer may disapprove a loan application request for reasons which include, but are not limited to:

1. Failure to include all necessary and proper documentation in the application;
2. A funding request in excess of the amount of the applicant's plan; or
3. Failure of the school or institution to comply with the square footage completion schedule as set forth in its plan filed with the DCA, and the determination of the Commissioner of DCA not to grant an extension.

(d) Notice of disapproval and instructions for curing the deficiency shall be given to the school or institution. A copy of same also shall be provided to the Authority and the DCA. The school or institution shall have 30 days from date of notice to re-submit its plan application.

(e) Loan amounts may be modified if the school's or institution's plan, in the Treasurer's discretion, would impact the school's or institution's ability to provide the maximum amount of funding to the greatest number of buildings at the school or institution, as applicable. Loan amounts also may be modified if it is determined that the costs submitted to the Department or Treasurer by the school or institution are less than those contained in its plan or if costs are determined to be ineligible. Any amounts determined to be ineligible shall be reimbursed to the Department with interest. The Treasurer reserves the right to audit the financial records of a school or institution applying for a loan pursuant to this subsection.

17:31-2.3 Terms of loans and payment of principal and interest

(a) Upon completion of the Department's review of an application, the Treasurer shall recommend the loan amount and the terms therefor to be contained in the loan agreement between the Authority and the applicant. Loans made to public or private institutions of higher education as defined pursuant to N.J.S.A. 18A:72A-3 shall bear interest at zero percent per year. Loans made to schools or similar occupancies shall bear interest at two percent per year. The term of loan shall be for a period of not more than 15 years.

All repayments of loans shall be made to the Authority and deposited by the Authority into the trust fund.

(b) The State Treasurer shall contract with the Authority to pay to the Authority the amount necessary to pay the principal and interest on all bonds issued to finance the loans subject to annual appropriation.

(c) The Authority shall not issue any bonds under the Act without the prior written consent of the Treasurer.

(d) Proceeds from the sale of bonds shall cover the cost of bond issuance and administrative costs of the program.

(e) Any loan approved pursuant to this subchapter shall be contingent upon the applicant entering into a contract or contracts for the construction, reconstruction, development, extension or improvement required in the plan in accordance with N.J.A.C. 52:27D-198.9.

SUBCHAPTER 3. TRANSMITTAL OF APPLICATIONS

17:31-3.1 Approved applications

Copies of the approved loan applications and the approved schedule of loan amounts shall be forwarded by the Department to the Authority and the DCA by April 15, 2001.

17:31-3.2 Disapproved applications

Loan applications which have been disapproved shall be returned to the school or institution with a letter of explanation as to the deficiency. A copy of same also shall be provided to the Authority and the DCA.

17:31-3.3 Modified applications

Notice of any amendments or modifications to an application will be timely given to the school or institution. A copy of such amendments or modifications also shall be provided to the Authority and the DCA.