

18A' 72-27. 2

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:72-27.2 and 18A:72-27-27.3 (State colleges-- allow construction of certain non-revenue producing facilities)

LAWS OF: 1988 **CHAPTER:** 159

BILL NO: S416

SPONSOR(S): Lynch

Date Introduced: Pre-filed

Committee: **Assembly:** Appropriation
Senate: Education; Revenue, Finance and Appropriations

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: **Assembly:** October 27, 1988
Senate: September 26, 1988

Date of Approval: November 16, 1988

Following statements are attached if available:

Sponsor statement:		Yes
Committee statement:	Assembly	Yes
	Senate	Yes
Fiscal Note:		No
Veto Message:		No
Message on Signing:		No
Following were printed:		
Reports:		No
Hearings:		No

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P.L. 1988, CHAPTER 159, approved November 16, 1988
1988 Senate No. 416 (First Reprint)

1 AN ACT concerning the New Jersey Educational Facilities
Authority and supplementing chapter 72A of Title 18A of the
3 New Jersey Statutes.

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

7 1. In addition to the powers and duties with respect to
dormitories and revenue producing facilities given under the
9 provisions of this chapter, the board of trustees of a State college
shall have the following powers with respect to any educational
11 facility, as defined in N.J.S.18A:72A-3:

13 a. To enter into any conveyance, lease or sublease of the type
provided for in N.J.S.18A:72A-26, 18A:72A-27 and 18A:72A-27.1
with the authority, with respect to the acquisition, construction
15 and financing of any educational facility;

17 b. To enter into any other agreement with the authority, with
respect to the acquisition, construction or financing of an
educational facility according to terms and conditions which the
19 authority and the board of trustees shall determine in accordance
with the powers of the authority;

21 c. To pledge and assign all or any, part of any funds
appropriated to the State college and available for the purposes
23 provided in subsections a. and b. of this section or any other
available monies of the State college to the payment of any
25 amount due and owing under any agreement made under
subsections a. and b. of this section if that agreement expressly
27 states that the payment of any and all amounts due and owing
thereunder shall, to the extent the funds shall be derived from
29 appropriations, depend on appropriations being made by the
Legislature.

31 12. a. Prior to final approval by the State Board of Higher
Education of a proposed project for the acquisition, construction

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
1 Senate SRF committee amendments adopted September 19, 1988.

1 or financing of any non-revenue producing educational facility,
2 the board of trustees, through the Chancellor of Higher
3 Education, shall, on a day when both houses of the Legislature are
4 meeting, submit the proposal to the President of the Senate and
5 the Speaker of the General Assembly, and submit informational
6 copies of the proposal to the members of the Senate Revenue,
7 Finance and Appropriations Committee and the Assembly
8 Appropriations Committee, or their successors. The submission
9 shall include all appropriate supporting information, including, at
10 a minimum, a description of the project, its impact, cost and
11 construction schedule, and a detailed explanation of the sources
12 of revenue which will be dedicated to the financing of the project.

13 b. The proposal as submitted to the Legislature shall be
14 deemed approved after 60 days, as provided herein, of the date on
15 which the proposal and the supporting information were
16 submitted to the Legislature, unless between the date of
17 submission and the end of the 60 day period, the Legislature
18 passes a concurrent resolution approving the proposal with
19 modifications or rejecting the proposal. The 60 days shall
20 commence on the day of submission and expire on the 60th day
21 after submission or for a house not meeting on the 60th day, on
22 the next meeting day of that house.¹

23 ¹[2.] 3.¹ This act shall take effect immediately.

25

HIGHER EDUCATION

27

Capital Finance

29 **Amends Higher Education Facilities Law to permit construction
of certain nonrevenue producing facilities at the State colleges.**

[FIRST REPRINT]

SENATE, No. 416

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Senator LYNCH

1 AN ACT concerning the New Jersey Educational Facilities
Authority and supplementing chapter 72A of Title 18A of the
3 New Jersey Statutes.

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

7 1. In addition to the powers and duties with respect to
dormitories and revenue producing facilities given under the
9 provisions of this chapter, the board of trustees of a State college
shall have the following powers with respect to any educational
11 facility, as defined in N.J.S.18A:72A-3:

13 a. To enter into any conveyance, lease or sublease of the type
provided for in N.J.S.18A:72A-26, 18A:72A-27 and 18A:72A-27.1
with the authority, with respect to the acquisition, construction
15 and financing of any educational facility;

17 b. To enter into any other agreement with the authority, with
respect to the acquisition, construction or financing of an
educational facility according to terms and conditions which the
19 authority and the board of trustees shall determine in accordance
with the powers of the authority;

21 c. To pledge and assign all or any part of any funds
appropriated to the State college and available for the purposes
23 provided in subsections a. and b. of this section or any other
available monies of the State college to the payment of any
25 amount due and owing under any agreement made under
subsections a. and b. of this section if that agreement expressly
27 states that the payment of any and all amounts due and owing
thereunder shall, to the extent the funds shall be derived from
29 appropriations, depend on appropriations being made by the
Legislature.

31 ¹2. a. Prior to final approval by the State Board of Higher
Education of a proposed project for the acquisition, construction

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SRF committee amendments adopted September 19, 1988.

1 or financing of any non-revenue producing educational facility,
2 the board of trustees, through the Chancellor of Higher
3 Education, shall, on a day when both houses of the Legislature are
4 meeting, submit the proposal to the President of the Senate and
5 the Speaker of the General Assembly, and submit informational
6 copies of the proposal to the members of the Senate Revenue,
7 Finance and Appropriations Committee and the Assembly
8 Appropriations Committee, or their successors. The submission
9 shall include all appropriate supporting information, including, at
10 a minimum, a description of the project, its impact, cost and
11 construction schedule, and a detailed explanation of the sources
12 of revenue which will be dedicated to the financing of the project.

13 b. The proposal as submitted to the Legislature shall be
14 deemed approved after 60 days, as provided herein, of the date on
15 which the proposal and the supporting information were
16 submitted to the Legislature, unless between the date of
17 submission and the end of the 60 day period, the Legislature
18 passes a concurrent resolution approving the proposal with
19 modifications or rejecting the proposal. The 60 days shall
20 commence on the day of submission and expire on the 60th day
21 after submission or for a house not meeting on the 60th day, on
22 the next meeting day of that house.¹

23 ¹[2.] 3.¹ This act shall take effect immediately.

25

HIGHER EDUCATION

27

Capital Finance

29 Amends Higher Education Facilities Law to permit construction
of certain nonrevenue producing facilities at the State colleges.

SENATE, No. 416
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Senator LYNCH

1 **AN ACT** concerning the New Jersey Educational Facilities
 Authority and supplementing chapter 72A of Title 1-8A of the
3 New Jersey Statutes.

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

7 1. In addition to the powers and duties with respect to
 dormitories and revenue producing facilities given under the
9 provisions of this chapter, the board of trustees of a State
 college shall have the following powers with respect to any
11 educational facility, as defined in N.J.S. 18A:72A-3:

 a. To enter into any conveyance, lease or sublease of the type
13 provided for in N.J.S. 18A:72A-26, 18A:72A-27 and in
 18A:72A-27.1 with the authority, with respect to the
15 acquisition, construction and financing of any educational
 facility;

17 b. To enter into any other agreement with the authority, with
 respect to the acquisition, construction or financing of an
19 educational facility according to terms and conditions which the
 authority and the board of trustees shall determine in
21 accordance with the powers of the authority;

 c. To pledge and assign all or any part of any funds
23 appropriated to the State college and available for the purposes
 provided in subsections a. and b. of this section or any other
25 available monies of the State college to the payment of any
 amount due and owing under any agreement made under
27 subsections a. and b. of this section if that agreement expressly
 states that the payment of any and all amounts due and owing
29 thereunder shall, to the extent the funds shall be derived from
 appropriations, depend on appropriations being made by the
31 Legislature.

 2. This act shall take effect immediately.

1

STATEMENT

3 This bill extends the powers of the New Jersey Educational.
4 Facility Authority to finance the construction of any
5 educational facility at a State college. Under current law, the
6 authority can only finance dormitories, student unions, parking
7 facilities and other revenue producing facilities at the State
8 colleges. Under existing law, the authority already has this
9 extended power at private colleges.

10 This bill would equalize the authority's ability to finance
11 construction at State and private colleges within the State. This
12 bill also permits the State colleges to pledge and assign all or
13 any part of an appropriation or any other available monies to
14 acquire, construct and finance any educational facility. This
15 means that a State college can pledge appropriations for debt
16 service, thereby allowing it to meet expanded capital needs.

17

19

HIGHER EDUCATION

Authorities and Regional Commissions

21

22 Amends Higher Education Facilities Law to permit construction
23 of certain nonrevenue producing facilities at the State colleges.

5416 (1985)

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 416

STATE OF NEW JERSEY

DATED: MAY 19, 1988

The Senate Education Committee favorably reports this bill without committee amendments.

This bill would allow the New Jersey Educational Facilities Authority to finance the construction of any educational facility at a State college. As defined under N.J.S.18A:72A-3, an educational facility means "a dormitory, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, teaching hospital, and parking maintenance, storage or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution for higher education...."

Under current law, the facilities authority may only finance revenue producing projects at public institutions of higher education. Essentially, the college conveys the land and/or buildings to the authority and leases it back, pledging the revenues for the payment of the lease. This bill would remove that limitation and allow the State colleges to enter into agreements with the authority for the financing of facilities which do not produce revenues. The college could pledge funds appropriated to it and available for this purpose or any other money available to the State colleges for the payment of the amount due. This could include private contributions, other State or federal funds if available for this purpose, or tuition revenues. The bill specifies that, to the extent that State funds are included in the agreement, it shall be dependent upon appropriations being made by the legislature.

This bill is identical to Assembly Bill 1137 which is currently before the Assembly Revenue Committee.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 416

with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 1988

The Senate Revenue, Finance and Appropriations Committee reported Senate Bill 416 favorably, with committee amendments.

Senate Bill 416, as amended, allows the New Jersey Educational Facilities Authority to finance the construction of any educational facility at a State college. Under current law, the authority may only finance revenue producing projects at State colleges. Essentially, the college conveys the land and any buildings to the authority and then leases it back, pledging the revenues for the payment of the lease. This bill would remove that limitation and allow the State colleges to enter into agreements with the authority for the financing of facilities which do not produce revenues. The college could pledge funds appropriated to it and available for this purpose or any other money available to the college for the payment of the amount due. The funds could include private contributions, other State or federal funds if available for this purpose, or tuition revenues. The bill specifies that, to the extent that State funds are included in the agreement, it shall be dependent upon appropriations made by the Legislature.

COMMITTEE AMENDMENTS

The committee amendments require the Chancellor of Higher Education to submit a proposed project for a non-revenue producing project to the Legislature on a day when both houses are in session. If the Legislature does not modify or reject the proposal by passage of a concurrent resolution, within 60 days of submission, the project shall be deemed approved. The 60 days begins upon submission and concludes on the 60th day thereafter or for a house not meeting on the 60th day, on the next meeting day.

FISCAL IMPACT

This bill will have no impact on the General Fund at this time.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 416

STATE OF NEW JERSEY

DATED: OCTOBER 13, 1988

The Assembly Appropriations Committee reports favorably Senate Bill No. 416 (1R).

Senate Bill No. 416 (1R) allows the New Jersey Educational Facilities Authority to finance the construction of any educational facility at a State college.

Under current law, the facilities authority may only finance revenue producing projects at public institutions of higher education. Essentially, the college conveys the land and/or buildings to the authority and leases it back, pledging the revenues for the payment of the lease. This bill would remove that limitation and allow the State colleges to enter into agreements with the authority for the financing of facilities which do not produce revenues. The college could pledge funds appropriated to it and available for this purpose or any other money available to the State colleges for the payment of the amount due. This could include private contributions, other State or federal funds if available for this purpose, or tuition revenues. The bill specifies that, to the extent that State funds are included in the agreement, it shall be dependent upon appropriations being made by the Legislature.

The bill also requires the Chancellor of Higher Education to submit a proposal for a non-revenue producing project to the Legislature on a day when both houses are in session. If the Legislature does not modify or reject the proposal by passage of a concurrent resolution within 60 days of submission, the project shall be deemed approved. The 60 days begins upon submission and concludes on the 60th day thereafter or for a house not meeting on the 60th day, on the next meeting day.

This bill is identical to Assembly Bill No. 1137, as amended by this committee.

FISCAL IMPACT

This bill will have no impact on the General Fund at this time.