

# 18A:62-32

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 1999                    **CHAPTER:** 368  
**NJSA:** 18A:62-32            (Higher education incentive funding)  
**BILL NO:** A3571                (Substituted for S2293)  
**SPONSOR(S):** Blee

**DATE INTRODUCED:** December 2, 1999

**COMMITTEE:**                    **ASSEMBLY:** Education

**SENATE:** -----

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**            **ASSEMBLY:** January 10, 2000

**SENATE:** January 10, 2000

**DATE OF APPROVAL:** January 14, 2000

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL:** Original  
(Amendments during passage denoted by superscript number)

#### **A3571**

**SPONSORS STATEMENT:** (Begins on page 10 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### **S2293**

**SPONSORS STATEMENT:** (Begins on page 10 of original bill) [Yes](#)  
Bill and Sponsors statement identical to A3571

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**SENATE:** [Yes](#)  
Identical to Assembly Statement for A3571

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** [Yes](#)

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 1999, CHAPTER 368, *approved January 14, 2000*

Assembly, No. 3571

1 AN ACT concerning higher education incentive funding and amending  
2 P.L.1999, c.226.

3

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

6

7 1. Section 4 of P.L.1999, c.226 (C.18A:62-32) is amended to read  
8 as follows:

9 4. There is created in the Department of the Treasury a non-lapsing  
10 fund, the "Higher Education Incentive Endowment Fund" (the  
11 "endowment fund"), which, subject to the availability of funds, shall be  
12 used to provide State matching funds against endowment contributions  
13 to four-year public institutions of higher education, two-year public  
14 institutions of higher education, and independent institutions of higher  
15 education that receive direct State aid, or their institutionally related  
16 foundations, in accordance with the provisions of sections 5 through  
17 7 of this act and subject to the provisions of subsections a. and b. of  
18 section 12 of the act.

19 (cf: P.L.1999, c.226, s.4)

20

21 2. Section 5 of P.L.1999, c.226 (C.18A:62-33) is amended to read  
22 as follows:

23 5. With respect to a fiscal year in which at least one person,  
24 corporation or other business entity, or foundation shall have made **[a**  
25 **single]** an endowment contribution to a four-year public institution of  
26 higher education, or to a foundation institutionally related to such a  
27 public institution, in the amount of \$1,000,000 or more, the recipient  
28 institution or foundation shall be eligible to receive State matching  
29 funds in subsequent fiscal years as follows:

30 a. In the fiscal year first following the contribution year, the  
31 institution or foundation may apply to the State Treasurer for State  
32 matching funds in an amount equal to 10% of the amount of each such  
33 contribution received in the contribution year. There shall be no limit  
34 on the number of such **[single]** endowment contributions from single  
35 contributors in that contribution year in the amount of \$1,000,000 or  
36 more each for which such application may be made. Any such  
37 application shall be made only with respect to the entire contribution  
38 year and may be submitted at any time after the close of that  
39 contribution year up until the application deadline established by the  
40 State Treasurer . **[Not]** Following the receipt of all applications, but  
41 not later than the 90th day following **[receipt of]** the application

**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.**

1 deadline , the State Treasurer shall determine the amount of State  
2 matching funds to which the applicant institution or foundation is  
3 entitled under this subsection and shall pay that amount from the  
4 endowment fund to the institution or foundation, including with that  
5 payment an explanation of the denial, if any, of any claim of  
6 entitlement to matching funds for which the institution or foundation  
7 had applied; and

8 b. In the second fiscal year following the contribution year and in  
9 each of the eight subsequent fiscal years following the **【contribution】**  
10 second fiscal year, the institution or foundation shall be entitled to  
11 receive from the endowment fund, without application, State matching  
12 funds in an amount equal to **【one-half of】** the amount paid under  
13 subsection a. of this section.

14 (cf: P.L.1999, c.226, s.5)

15

16 3. Section 6 of P.L.1999, c.226 (C.18A:62-34) is amended to read  
17 as follows:

18 6. a. With respect to a fiscal year in which at least one person,  
19 corporation or other business entity, or foundation shall have made **【a**  
20 single】 an endowment contribution to a two-year public institution of  
21 higher education, or to a foundation institutionally related to such a  
22 public institution, in the amount of \$100,000 or more, the recipient  
23 institution or foundation shall be eligible to receive State matching  
24 funds in subsequent fiscal years as follows:

25 (1) In the fiscal year first following the contribution year, the  
26 institution or foundation may apply to the State Treasurer for State  
27 matching funds in an amount equal to 10% of the amount of each such  
28 contribution received in the contribution year. There shall be no limit  
29 on the number of such **【single】** endowment contributions from single  
30 contributors in that contribution year in the amount of \$100,000 or  
31 more each for which such application may be made. Any such  
32 application shall be made only with respect to the entire contribution  
33 year and may be submitted at any time after the close of that  
34 contribution year up until the application deadline established by the  
35 State Treasurer . **【Not】** Following the receipt of all applications, but  
36 not later than the 90th day following **【receipt of】** the application  
37 deadline , the State Treasurer shall determine the amount of State  
38 matching funds to which the applicant institution or foundation is  
39 entitled under this paragraph and shall pay that amount from the  
40 endowment fund to the institution or foundation, including with that  
41 payment an explanation of the denial, if any, of any claim of  
42 entitlement to matching funds for which the institution or foundation  
43 had applied; and

44 (2) In the second fiscal year following the contribution year and  
45 in each of the eight subsequent fiscal years following the  
46 **【contribution】** second fiscal year, the institution or foundation shall be

1 entitled to receive from the endowment fund, without application,  
2 State matching funds in an amount equal to **【one-half of】** the amount  
3 paid under paragraph (1) of this subsection.

4 b. With respect to a fiscal year in which three or more persons,  
5 corporations or other business entities, or foundations each shall have  
6 made **【single】** endowment contributions to a two-year public  
7 institution of higher education, or to a foundation institutionally  
8 related to such a public institution, in the amount of \$50,000 or more  
9 but less than \$100,000, and the cumulative amount in that fiscal year  
10 of those **【single】** endowment contributions of \$50,000 or more but  
11 less than \$100,000 is at least \$250,000, the recipient institution or  
12 foundation shall be eligible to receive State matching funds in  
13 subsequent fiscal years as follows:

14 (1) In the fiscal year first following the contribution year, the  
15 institution or foundation may apply to the State Treasurer for State  
16 matching funds in an amount equal to 10% of the highest exact  
17 multiple of \$250,000 that is less than or equal to that cumulative  
18 amount of such contributions received in the contribution year. There  
19 shall be no limit on the number of such **【single】** endowment  
20 contributions from single contributors in that contribution year in the  
21 amount of \$50,000 but less than \$100,000 each with respect to which  
22 such application may be made. Any such application shall be made  
23 only with respect to the entire contribution year and may be submitted  
24 at any time after the close of that contribution year up until the  
25 application deadline established by the State Treasurer . **【Not】**  
26 Following the receipt of all applications, but not later than the 90th  
27 day following **【receipt of】** the application deadline , the State  
28 Treasurer shall determine the amount of State matching funds to which  
29 the applicant institution or foundation is entitled under this paragraph  
30 and shall pay that amount from the endowment fund to the institution  
31 or foundation, including with that payment an explanation of the  
32 denial, if any, of any claim of entitlement to matching funds for which  
33 the institution or foundation had applied; and

34 (2) In the second fiscal year following the contribution year and  
35 in each of the eight subsequent fiscal years following the  
36 **【contribution】** second fiscal year, the institution or foundation shall be  
37 entitled to receive from the endowment fund, without application,  
38 State matching funds in an amount equal to **【one-half of】** the amount  
39 paid under paragraph (1) of this subsection.

40 (cf: P.L.1999, c.226, s.6)

41  
42 4. Section 7 of P.L.1999, c.226 (C.18A:62-35) is amended to read  
43 as follows:

44 7. With respect to a fiscal year in which at least one person,  
45 corporation or other business entity, or foundation makes **【a single】**

1 an endowment contribution to a four-year independent institution of  
2 higher education that receives direct State aid, or to a foundation  
3 institutionally related to such an institution, in the amount of  
4 \$1,000,000 or more, the recipient institution or foundation shall be  
5 eligible to apply for and to receive State matching funds in the amount  
6 of \$100,000 with respect to each such contribution. There shall be no  
7 limit on the number of such **【single】** endowment contributions from  
8 single contributors in a contribution year in the amount of \$1,000,000  
9 or more each for which such application may be made. Any such  
10 application shall be made only with respect to the entire contribution  
11 year and may be submitted at any time after the close of that  
12 contribution year up until the application deadline established by the  
13 State Treasurer . **【Not】** Following the receipt of all applications, but  
14 not later than the 90th day following 【receipt of】 the application  
15 deadline , the State Treasurer shall determine the amount of State  
16 matching funds to which the applicant institution or foundation is  
17 entitled under this section and shall pay that amount from the  
18 endowment fund to the institution or foundation, including with that  
19 payment an explanation of the denial, if any, of any claim of  
20 entitlement to matching funds for which the institution or foundation  
21 had applied. An institution or foundation that shall have received  
22 payment of State matching funds under this section with respect to a  
23 contribution year shall not thereafter receive additional State matching  
24 funds with respect to the same contribution year.

25 (cf: P.L.1999, c.226, s.7)

26

27 5. Section 8 of P.L.1999, c.226 (C.18A:62-36) is amended to read  
28 as follows:

29 8. There is created in the Department of the Treasury a non-  
30 lapsing fund, the "Higher Education Incentive Grant Fund" (the "grant  
31 fund"), which, subject to the availability of funds, shall be used to  
32 provide State matching funds against donations to four-year public  
33 institutions of higher education, two-year public institutions of higher  
34 education, and independent institutions of higher education that  
35 receive direct State aid, or their institutionally related foundations, in  
36 accordance with the provisions of sections 9 through 11 of this act and  
37 subject to the provisions of subsections a. and b. of section 12 of the  
38 act.

39 (cf: P.L.1999, c.226, s.8)

40

41 6. Section 9 of P.L.1999, c.226 (C.18A:62-37) is amended to read  
42 as follows:

43 9. With respect to a fiscal year in which at least one person,  
44 corporation or other business entity, or foundation shall have made a  
45 **【single】** donation to a four-year public institution of higher education,  
46 or to a foundation institutionally related to such a public institution, in

1 the amount of \$1,000,000 or more, the recipient institution or  
2 foundation shall be eligible to receive State matching funds under this  
3 section. In the fiscal year next following the donation year, the  
4 institution or foundation may apply to the State Treasurer for State  
5 matching funds in an amount equal to 10% of the amount of each such  
6 donation received in the donation year. There shall be no limit on the  
7 number of such **【single】** donations from single donors in that  
8 donation year in the amount of \$1,000,000 or more each for which  
9 such application may be made. Any such application shall be made  
10 only with respect to the entire donation year and may be submitted at  
11 any time after the close of that donation year up until the application  
12 deadline established by the State Treasurer . **【Not】** Following the  
13 receipt of all applications, but not later than the 90th day following  
14 **【receipt of】** the application deadline , the State Treasurer shall  
15 determine the amount of State matching funds to which the applicant  
16 institution or foundation is entitled under this subsection and shall pay  
17 that amount from the grant fund to the institution or foundation,  
18 including with that payment an explanation of the denial, if any, of any  
19 claim of entitlement to matching funds for which the institution or  
20 foundation had applied. An institution or foundation that shall have  
21 received payment of State matching funds under this section with  
22 respect to a donation year shall not thereafter receive additional State  
23 matching funds with respect to the same donation year.

24 (cf: P.L.1999, c.226, s.9)

25

26 7. Section 10 of P.L.1999, c.226 (C.18A:62-38) is amended to  
27 read as follows:

28 10. a. With respect to a fiscal year in which at least one person,  
29 corporation or other business entity, or foundation shall have made a  
30 **【single】** donation to a two-year public institution of higher education,  
31 or to a foundation institutionally related to such a public institution, in  
32 the amount of \$100,000 or more, the recipient institution or  
33 foundation shall be eligible to receive State matching funds under this  
34 subsection. In the fiscal year next following the donation year, the  
35 institution or foundation may apply to the State Treasurer for State  
36 matching funds in an amount equal to 10% of the amount of each such  
37 donation received in the donation year. There shall be no limit on the  
38 number of such **【single】** donations from single donors in that donation  
39 year in the amount of \$100,000 or more each for which such  
40 application may be made. Any such application shall be made only  
41 with respect to the entire donation year and may be submitted at any  
42 time after the close of that donation year up until the application  
43 deadline established by the State Treasurer . **【Not】** Following the  
44 receipt of all applications , but not later than the 90th day following  
45 **【receipt of】** the application deadline , the State Treasurer shall  
46 determine the amount of State matching funds to which the applicant

1 institution or foundation is entitled under this subsection and shall pay  
2 that amount from the grant fund to the institution or foundation,  
3 including with that payment an explanation of the denial, if any, of any  
4 claim of entitlement to matching funds for which the institution or  
5 foundation had applied. An institution or foundation that shall have  
6 received payment of State matching funds under this subsection with  
7 respect to a donation year shall not thereafter receive additional State  
8 matching funds with respect to the same donation year.

9 b. With respect to every fiscal year in which three or more  
10 persons, corporations or other business entities, or foundations each  
11 shall have made **【single】** donations to a two-year public institution of  
12 higher education, or to a foundation institutionally related to such a  
13 public institution, in the amount of \$50,000 or more but less than  
14 \$100,000, and the cumulative amount in that fiscal year of those  
15 **【single】** donations of \$50,000 or more but less than \$100,000 is at  
16 least \$250,000, the recipient institution or foundation shall be eligible  
17 to receive State matching funds under this subsection. In the fiscal  
18 year next following the donation year, the institution or foundation  
19 may apply to the State Treasurer for State matching funds in an  
20 amount equal to 10% of the highest exact multiple of \$250,000 that is  
21 less than or equal to that cumulative amount of such donations  
22 received in the donation year. There shall be no limit on the number  
23 of such **【single】** donations from single donors in that donation year in  
24 the amount of \$50,000 but less than \$100,000 each with respect to  
25 which such application may be made. Any such application shall be  
26 made only with respect to the entire donation year and may be  
27 submitted at any time after the close of that donation year up until the  
28 application deadline established by the State Treasurer. **【Not】**  
29 Following the receipt of all applications, but not later than the 90th  
30 day following 【receipt of】 the application deadline , the State  
31 Treasurer shall determine the amount of State matching funds to which  
32 the applicant institution or foundation is entitled under this subsection  
33 and shall pay that amount from the grant fund to the institution or  
34 foundation, including with that payment an explanation of the denial,  
35 if any, of any claim of entitlement to matching funds for which the  
36 institution or foundation had applied. An institution or foundation that  
37 shall have received payment of State matching funds under this  
38 subsection with respect to a donation year shall not thereafter receive  
39 additional State matching funds with respect to the same donation  
40 year.

41 (cf: P.L.1999, c.226, s.10)

42

43 8. Section 11 of P.L.1999, c.226 (C.18A:62-39) is amended to  
44 read as follows:

45 11. With respect to a fiscal year in which at least one person,  
46 corporation or other business entity, or foundation makes a **【single】**

1 donation to a four-year independent institution of higher education  
2 that receives direct State aid, or to a foundation institutionally related  
3 to such an institution, in the amount of \$1,000,000 or more, the  
4 recipient institution or foundation shall be eligible to apply for and to  
5 receive State matching funds in the amount of \$100,000 with respect  
6 to each such donation. There shall be no limit on the number of such  
7 **【single】** donations from single donors in that donation year in the  
8 amount of \$1,000,000 or more for which such application may be  
9 made. Any such application shall be made only with respect to the  
10 entire donation year and may be submitted at any time after the close  
11 of that donation year up until the application deadline established by  
12 the State Treasurer . **【Not】** Following the receipt of all applications,  
13 but not later than the 90th day following **【receipt of】** the application  
14 deadline , the State Treasurer shall determine the amount of State  
15 matching funds to which the applicant institution or foundation is  
16 entitled under this section and shall pay that amount from the grant  
17 fund to the institution or foundation, including with that payment an  
18 explanation of the denial, if any, of any claim of entitlement to  
19 matching funds for which the institution or foundation had applied.  
20 An institution or foundation that shall have received payment of State  
21 matching funds under this section with respect to a donation year shall  
22 not thereafter receive additional State matching funds with respect to  
23 the same donation year.

24 (cf: P.L.1999, c. 226, s.11)

25

26 9. Section 12 of P.L.1999, c.226 (C.18A:62-40) is amended to  
27 read as follows:

28 12. a. No institution of higher education having a total  
29 endowment of more than \$1,000,000,000, and no foundation  
30 institutionally related to such an institution, shall be eligible to receive  
31 State matching funds under this act.

32 b. No endowment contribution or donation to an institution of  
33 higher education from a foundation institutionally related to that  
34 institution shall be eligible to be matched with State funds under the  
35 provisions of this act.

36 c. The matching funds provided to an institution of higher  
37 education or to a foundation institutionally related to such an  
38 institution pursuant to sections 4 through 11 of this act shall be used  
39 by the institution or foundation exclusively for academic purposes and  
40 shall not be used to fund any activity, program or project unrelated or  
41 only incidentally related to those purposes, such as the award of  
42 athletic scholarships **【or】** ,except that the matching funds may be used  
43 for the payment of the cost of building construction, **【but this**  
44 **restriction】** in accordance with the terms as to use for particular  
45 purposes stipulated by the donor of the endowment contribution or  
46 donation. The matching funds provided shall not be used for the

1 purpose of sectarian instruction, the construction or maintenance of  
2 sectarian facilities, or for any other sectarian purpose or activity.  
3 These restrictions shall not **【to】** apply to the use by the institution or  
4 foundation of any of the endowment contributions and donations with  
5 respect to which those matching funds were paid.

6 (cf: P.L.1999, c.226, s.12)

7

8 10. Section 13 of P.L.1999, c.226 (C.18A:62-41) is amended to  
9 read as follows:

10 13. In order for an institution or foundation to receive in a fiscal  
11 year State matching funds pursuant to an application therefor under  
12 the provisions of this act, the governing body of the institution or  
13 foundation shall provide the State Treasurer with a copy of the  
14 institution's annual independent financial audit, the institution's  
15 education foundation audit, or other financial certification, as deemed  
16 appropriate by the Treasurer, that verifies that the institution has  
17 raised the necessary amount through endowment contributions or  
18 donations to qualify for the State matching funds. An institution or  
19 foundation receiving State matching funds shall also provide in each  
20 fiscal year the annual average amount of endowment contributions and  
21 donations received in the contribution year and the donation year and  
22 in the five previous contribution and donation years.

23 (cf: P.L.1999, c.226, s.13)

24

25 11. Section 14 of P.L.1999, c.226 (C.18A:62-42) is amended to  
26 read as follows:

27 14. a. The endowment fund and the grant fund shall be  
28 administered separately by the State Treasurer. Each fund shall  
29 consist of moneys appropriated or otherwise made available to it by  
30 the Legislature and any interest received on the investment of moneys  
31 in that fund.

32 b. If, in any fiscal year, the fund balance in either the endowment  
33 fund or the grant fund is insufficient to fund payment in full of the  
34 State matching funds authorized to be paid under the provisions of this  
35 act, the **【entitlement of an institution of higher education or**  
36 **institutionally related foundation to the amount of any underpayment**  
37 **shall not lapse, and shall have priority in the following fiscal year over**  
38 **any claim for payment of such matching funds arising in that following**  
39 **fiscal year】** amount of available funds shall be prorated among all  
40 eligible applicants .

41 (cf: P.L.1999, c.226, s.14)

42

43 12. Section 17 of P.L. of P.L.1999, c.226 is amended to read as  
44 follows:

45 17. This act shall take effect immediately and shall apply to **【any**  
46 **endowment contribution or donation made during the fiscal year of**

1 enactment or **]** endowment contributions and donations made during  
2 fiscal year 1999 and thereafter.

3 (cf: P.L.1999, c.226, s.17)

4  
5 13. This act shall take effect immediately.

6  
7  
8 STATEMENT

9  
10 This bill revises certain provisions of the "Higher Education  
11 Incentive Funding Act," P.L.1999, c.226, to do the following:

12 authorizes the State Treasurer to establish a deadline for the  
13 submission of an application for State matching funds following the  
14 close of the fiscal year in which the endowment contribution or  
15 donation has been made to an institution of higher education or  
16 foundation;

17 provides that in the case of certain endowment contributions made  
18 to a public institution of higher education or a foundation related to  
19 the institution, State matching funds in the amount of 10% of the  
20 contribution or donation amount will be provided for the ten fiscal  
21 years following the contribution or donation year. The law currently  
22 provides that the 10% State matching funds amount will be provided  
23 to public institutions of higher education in the first fiscal year and that  
24 one-half of that amount would be provided in each subsequent fiscal  
25 year. Under current law, independent institutions of higher education  
26 and foundations related to those institutions that receive a single  
27 endowment contribution of \$1,000,000 or more are only eligible to  
28 receive State matching funds of 10% in the first fiscal year following  
29 the contribution or donation year and this remains unchanged under  
30 the bill's provisions;

31 provides that State matching funds may be used by the institution  
32 or foundation for the payment of the cost of building construction, in  
33 accordance with the terms as to use stipulated by the donor of the  
34 contribution or donation. The bill also provides that the matching  
35 funds cannot be used for the purpose of sectarian instruction, the  
36 construction or maintenance of sectarian facilities, or for any other  
37 sectarian purpose or activity;

38 requires an institution or foundation which is receiving State  
39 matching funds to provide to the State Treasurer in each fiscal year the  
40 annual average amount of endowment contributions and donations  
41 received in the contribution and donation year and in the five previous  
42 contribution and donations years;

43 clarifies that the contribution and donation threshold amounts from  
44 individual contributors or donors required under the law for receipt  
45 of State matching funds may be paid by the contributor or donor  
46 during the fiscal year in either a single payment or several payments;

1 and

2 clarifies that the law's provisions apply to endowment contributions  
3 and donations made during fiscal year 1999.

4

5

6

7

8 Revises certain procedures for the receipt of State matching funds  
9 against contributions and donations made to institutions of higher  
10 education and institutional foundations.

# ASSEMBLY, No. 3571

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED DECEMBER 2, 1999

**Sponsored by:**

**Assemblyman FRANCIS J. BLEE**  
**District 2 (Atlantic)**

**Co-Sponsored by:**

**Senators Bryant and Matheussen**

**SYNOPSIS**

Revises certain procedures for the receipt of State matching funds against contributions and donations made to institutions of higher education and institutional foundations.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/11/2000)**

1 AN ACT concerning higher education incentive funding and amending  
2 P.L.1999, c.226.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 4 of P.L.1999, c.226 (C.18A:62-32) is amended to read  
8 as follows:

9 4. There is created in the Department of the Treasury a non-lapsing  
10 fund, the "Higher Education Incentive Endowment Fund" (the  
11 "endowment fund"), which, subject to the availability of funds, shall be  
12 used to provide State matching funds against endowment contributions  
13 to four-year public institutions of higher education, two-year public  
14 institutions of higher education, and independent institutions of higher  
15 education that receive direct State aid, or their institutionally related  
16 foundations, in accordance with the provisions of sections 5 through  
17 7 of this act and subject to the provisions of subsections a. and b. of  
18 section 12 of the act.  
19 (cf: P.L.1999, c.226, s.4)

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21 2. Section 5 of P.L.1999, c.226 (C.18A:62-33) is amended to read  
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23 5. With respect to a fiscal year in which at least one person,  
24 corporation or other business entity, or foundation shall have made [a  
25 single] an endowment contribution to a four-year public institution of  
26 higher education, or to a foundation institutionally related to such a  
27 public institution, in the amount of \$1,000,000 or more, the recipient  
28 institution or foundation shall be eligible to receive State matching  
29 funds in subsequent fiscal years as follows:

30 a. In the fiscal year first following the contribution year, the  
31 institution or foundation may apply to the State Treasurer for State  
32 matching funds in an amount equal to 10% of the amount of each such  
33 contribution received in the contribution year. There shall be no limit  
34 on the number of such [single] endowment contributions from single  
35 contributors in that contribution year in the amount of \$1,000,000 or  
36 more each for which such application may be made. Any such  
37 application shall be made only with respect to the entire contribution  
38 year and may be submitted at any time after the close of that  
39 contribution year up until the application deadline established by the  
40 State Treasurer . [Not] Following the receipt of all applications, but  
41 not later than the 90th day following [receipt of] the application  
42 deadline , the State Treasurer shall determine the amount of State  
43 matching funds to which the applicant institution or foundation is

**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.**

1 entitled under this subsection and shall pay that amount from the  
2 endowment fund to the institution or foundation, including with that  
3 payment an explanation of the denial, if any, of any claim of  
4 entitlement to matching funds for which the institution or foundation  
5 had applied; and

6 b. In the second fiscal year following the contribution year and in  
7 each of the eight subsequent fiscal years following the [contribution]  
8 second fiscal year, the institution or foundation shall be entitled to  
9 receive from the endowment fund, without application, State matching  
10 funds in an amount equal to [one-half of] the amount paid under  
11 subsection a. of this section.

12 (cf: P.L.1999, c.226, s.5)

13

14 3. Section 6 of P.L.1999, c.226 (C.18A:62-34) is amended to read  
15 as follows:

16 6. a. With respect to a fiscal year in which at least one person,  
17 corporation or other business entity, or foundation shall have made [a  
18 single] an endowment contribution to a two-year public institution of  
19 higher education, or to a foundation institutionally related to such a  
20 public institution, in the amount of \$100,000 or more, the recipient  
21 institution or foundation shall be eligible to receive State matching  
22 funds in subsequent fiscal years as follows:

23 (1) In the fiscal year first following the contribution year, the  
24 institution or foundation may apply to the State Treasurer for State  
25 matching funds in an amount equal to 10% of the amount of each such  
26 contribution received in the contribution year. There shall be no limit  
27 on the number of such [single] endowment contributions from single  
28 contributors in that contribution year in the amount of \$100,000 or  
29 more each for which such application may be made. Any such  
30 application shall be made only with respect to the entire contribution  
31 year and may be submitted at any time after the close of that  
32 contribution year up until the application deadline established by the  
33 State Treasurer . [Not] Following the receipt of all applications, but  
34 not later than the 90th day following [receipt of] the application  
35 deadline , the State Treasurer shall determine the amount of State  
36 matching funds to which the applicant institution or foundation is  
37 entitled under this paragraph and shall pay that amount from the  
38 endowment fund to the institution or foundation, including with that  
39 payment an explanation of the denial, if any, of any claim of  
40 entitlement to matching funds for which the institution or foundation  
41 had applied; and

42 (2) In the second fiscal year following the contribution year and  
43 in each of the eight subsequent fiscal years following the [contribution]  
44 second fiscal year, the institution or foundation shall be entitled to  
45 receive from the endowment fund, without application, State matching  
46 funds in an amount equal to [one-half of] the amount paid under

1 paragraph (1) of this subsection.

2 b. With respect to a fiscal year in which three or more persons,  
3 corporations or other business entities, or foundations each shall have  
4 made [single] endowment contributions to a two-year public institution  
5 of higher education, or to a foundation institutionally related to such  
6 a public institution, in the amount of \$50,000 or more but less than  
7 \$100,000, and the cumulative amount in that fiscal year of those  
8 [single] endowment contributions of \$50,000 or more but less than  
9 \$100,000 is at least \$250,000, the recipient institution or foundation  
10 shall be eligible to receive State matching funds in subsequent fiscal  
11 years as follows:

12 (1) In the fiscal year first following the contribution year, the  
13 institution or foundation may apply to the State Treasurer for State  
14 matching funds in an amount equal to 10% of the highest exact  
15 multiple of \$250,000 that is less than or equal to that cumulative  
16 amount of such contributions received in the contribution year. There  
17 shall be no limit on the number of such [single] endowment  
18 contributions from single contributors in that contribution year in the  
19 amount of \$50,000 but less than \$100,000 each with respect to which  
20 such application may be made. Any such application shall be made  
21 only with respect to the entire contribution year and may be submitted  
22 at any time after the close of that contribution year up until the  
23 application deadline established by the State Treasurer . [Not]  
24 Following the receipt of all applications, but not later than the 90th  
25 day following [receipt of] the application deadline , the State Treasurer  
26 shall determine the amount of State matching funds to which the  
27 applicant institution or foundation is entitled under this paragraph and  
28 shall pay that amount from the endowment fund to the institution or  
29 foundation, including with that payment an explanation of the denial,  
30 if any, of any claim of entitlement to matching funds for which the  
31 institution or foundation had applied; and

32 (2) In the second fiscal year following the contribution year and  
33 in each of the eight subsequent fiscal years following the [contribution]  
34 second fiscal year, the institution or foundation shall be entitled to  
35 receive from the endowment fund, without application, State matching  
36 funds in an amount equal to [one-half of] the amount paid under  
37 paragraph (1) of this subsection.

38 (cf: P.L.1999, c.226, s.6)

39

40 4. Section 7 of P.L.1999, c.226 (C.18A:62-35) is amended to read  
41 as follows:

42 7. With respect to a fiscal year in which at least one person,  
43 corporation or other business entity, or foundation makes [a single] an  
44 endowment contribution to a four-year independent institution of  
45 higher education that receives direct State aid, or to a foundation  
46 institutionally related to such an institution, in the amount of

1 \$1,000,000 or more, the recipient institution or foundation shall be  
2 eligible to apply for and to receive State matching funds in the amount  
3 of \$100,000 with respect to each such contribution. There shall be no  
4 limit on the number of such [single] endowment contributions from  
5 single contributors in a contribution year in the amount of \$1,000,000  
6 or more each for which such application may be made. Any such  
7 application shall be made only with respect to the entire contribution  
8 year and may be submitted at any time after the close of that  
9 contribution year up until the application deadline established by the  
10 State Treasurer . [Not] Following the receipt of all applications, but  
11 not later than the 90th day following [receipt of] the application  
12 deadline , the State Treasurer shall determine the amount of State  
13 matching funds to which the applicant institution or foundation is  
14 entitled under this section and shall pay that amount from the  
15 endowment fund to the institution or foundation, including with that  
16 payment an explanation of the denial, if any, of any claim of  
17 entitlement to matching funds for which the institution or foundation  
18 had applied. An institution or foundation that shall have received  
19 payment of State matching funds under this section with respect to a  
20 contribution year shall not thereafter receive additional State matching  
21 funds with respect to the same contribution year.

22 (cf: P.L.1999, c.226, s.7)

23

24 5. Section 8 of P.L.1999, c.226 (C.18A:62-36) is amended to read  
25 as follows:

26 8. There is created in the Department of the Treasury a non-  
27 lapsing fund, the "Higher Education Incentive Grant Fund" (the "grant  
28 fund"), which, subject to the availability of funds, shall be used to  
29 provide State matching funds against donations to four-year public  
30 institutions of higher education, two-year public institutions of higher  
31 education, and independent institutions of higher education that  
32 receive direct State aid, or their institutionally related foundations, in  
33 accordance with the provisions of sections 9 through 11 of this act and  
34 subject to the provisions of subsections a. and b. of section 12 of the  
35 act.

36 (cf: P.L.1999, c.226, s.8)

37

38 6. Section 9 of P.L.1999, c.226 (C.18A:62-37) is amended to read  
39 as follows:

40 9. With respect to a fiscal year in which at least one person,  
41 corporation or other business entity, or foundation shall have made a  
42 [single] donation to a four-year public institution of higher education,  
43 or to a foundation institutionally related to such a public institution, in  
44 the amount of \$1,000,000 or more, the recipient institution or  
45 foundation shall be eligible to receive State matching funds under this  
46 section. In the fiscal year next following the donation year, the

1 institution or foundation may apply to the State Treasurer for State  
2 matching funds in an amount equal to 10% of the amount of each such  
3 donation received in the donation year. There shall be no limit on the  
4 number of such [single] donations from single donors in that donation  
5 year in the amount of \$1,000,000 or more each for which such  
6 application may be made. Any such application shall be made only  
7 with respect to the entire donation year and may be submitted at any  
8 time after the close of that donation year up until the application  
9 deadline established by the State Treasurer . [Not] Following the  
10 receipt of all applications, but not later than the 90th day following  
11 [receipt of] the application deadline , the State Treasurer shall  
12 determine the amount of State matching funds to which the applicant  
13 institution or foundation is entitled under this subsection and shall pay  
14 that amount from the grant fund to the institution or foundation,  
15 including with that payment an explanation of the denial, if any, of any  
16 claim of entitlement to matching funds for which the institution or  
17 foundation had applied. An institution or foundation that shall have  
18 received payment of State matching funds under this section with  
19 respect to a donation year shall not thereafter receive additional State  
20 matching funds with respect to the same donation year.  
21 (cf: P.L.1999, c.226, s.9)

22

23 7. Section 10 of P.L.1999, c.226 (C.18A:62-38) is amended to  
24 read as follows:

25 10. a. With respect to a fiscal year in which at least one person,  
26 corporation or other business entity, or foundation shall have made a  
27 [single] donation to a two-year public institution of higher education,  
28 or to a foundation institutionally related to such a public institution, in  
29 the amount of \$100,000 or more, the recipient institution or  
30 foundation shall be eligible to receive State matching funds under this  
31 subsection. In the fiscal year next following the donation year, the  
32 institution or foundation may apply to the State Treasurer for State  
33 matching funds in an amount equal to 10% of the amount of each such  
34 donation received in the donation year. There shall be no limit on the  
35 number of such [single] donations from single donors in that donation  
36 year in the amount of \$100,000 or more each for which such  
37 application may be made. Any such application shall be made only  
38 with respect to the entire donation year and may be submitted at any  
39 time after the close of that donation year up until the application  
40 deadline established by the State Treasurer . [Not] Following the  
41 receipt of all applications, but not later than the 90th day following  
42 [receipt of] the application deadline , the State Treasurer shall  
43 determine the amount of State matching funds to which the applicant  
44 institution or foundation is entitled under this subsection and shall pay  
45 that amount from the grant fund to the institution or foundation,  
46 including with that payment an explanation of the denial, if any, of any

1 claim of entitlement to matching funds for which the institution or  
2 foundation had applied. An institution or foundation that shall have  
3 received payment of State matching funds under this subsection with  
4 respect to a donation year shall not thereafter receive additional State  
5 matching funds with respect to the same donation year.

6 b. With respect to every fiscal year in which three or more  
7 persons, corporations or other business entities, or foundations each  
8 shall have made [single] donations to a two-year public institution of  
9 higher education, or to a foundation institutionally related to such a  
10 public institution, in the amount of \$50,000 or more but less than  
11 \$100,000, and the cumulative amount in that fiscal year of those  
12 [single] donations of \$50,000 or more but less than \$100,000 is at  
13 least \$250,000, the recipient institution or foundation shall be eligible  
14 to receive State matching funds under this subsection. In the fiscal  
15 year next following the donation year, the institution or foundation  
16 may apply to the State Treasurer for State matching funds in an  
17 amount equal to 10% of the highest exact multiple of \$250,000 that is  
18 less than or equal to that cumulative amount of such donations  
19 received in the donation year. There shall be no limit on the number  
20 of such [single] donations from single donors in that donation year in  
21 the amount of \$50,000 but less than \$100,000 each with respect to  
22 which such application may be made. Any such application shall be  
23 made only with respect to the entire donation year and may be  
24 submitted at any time after the close of that donation year up until the  
25 application deadline established by the State Treasurer. [Not]  
26 Following the receipt of all applications, but not later than the 90th  
27 day following [receipt of] the application deadline , the State Treasurer  
28 shall determine the amount of State matching funds to which the  
29 applicant institution or foundation is entitled under this subsection and  
30 shall pay that amount from the grant fund to the institution or  
31 foundation, including with that payment an explanation of the denial,  
32 if any, of any claim of entitlement to matching funds for which the  
33 institution or foundation had applied. An institution or foundation that  
34 shall have received payment of State matching funds under this  
35 subsection with respect to a donation year shall not thereafter receive  
36 additional State matching funds with respect to the same donation  
37 year.

38 (cf: P.L.1999, c.226, s.10)

39

40 8. Section 11 of P.L.1999, c.226 (C.18A:62-39) is amended to  
41 read as follows:

42 11. With respect to a fiscal year in which at least one person,  
43 corporation or other business entity, or foundation makes a [single]  
44 donation to a four-year independent institution of higher education  
45 that receives direct State aid, or to a foundation institutionally related  
46 to such an institution, in the amount of \$1,000,000 or more, the

1 recipient institution or foundation shall be eligible to apply for and to  
2 receive State matching funds in the amount of \$100,000 with respect  
3 to each such donation. There shall be no limit on the number of such  
4 [single] donations from single donors in that donation year in the  
5 amount of \$1,000,000 or more for which such application may be  
6 made. Any such application shall be made only with respect to the  
7 entire donation year and may be submitted at any time after the close  
8 of that donation year up until the application deadline established by  
9 the State Treasurer . [Not] Following the receipt of all applications,  
10 but not later than the 90th day following [receipt of] the application  
11 deadline , the State Treasurer shall determine the amount of State  
12 matching funds to which the applicant institution or foundation is  
13 entitled under this section and shall pay that amount from the grant  
14 fund to the institution or foundation, including with that payment an  
15 explanation of the denial, if any, of any claim of entitlement to  
16 matching funds for which the institution or foundation had applied.  
17 An institution or foundation that shall have received payment of State  
18 matching funds under this section with respect to a donation year shall  
19 not thereafter receive additional State matching funds with respect to  
20 the same donation year.  
21 (cf: P.L.1999, c. 226, s.11)

22

23 9. Section 12 of P.L.1999, c.226 (C.18A:62-40) is amended to  
24 read as follows:

25 12. a. No institution of higher education having a total  
26 endowment of more than \$1,000,000,000, and no foundation  
27 institutionally related to such an institution, shall be eligible to receive  
28 State matching funds under this act.

29 b. No endowment contribution or donation to an institution of  
30 higher education from a foundation institutionally related to that  
31 institution shall be eligible to be matched with State funds under the  
32 provisions of this act.

33 c. The matching funds provided to an institution of higher  
34 education or to a foundation institutionally related to such an  
35 institution pursuant to sections 4 through 11 of this act shall be used  
36 by the institution or foundation exclusively for academic purposes and  
37 shall not be used to fund any activity, program or project unrelated or  
38 only incidentally related to those purposes, such as the award of  
39 athletic scholarships [or] , except that the matching funds may be used  
40 for the payment of the cost of building construction, [but this  
41 restriction] in accordance with the terms as to use for particular  
42 purposes stipulated by the donor of the endowment contribution or  
43 donation. The matching funds provided shall not be used for the  
44 purpose of sectarian instruction, the construction or maintenance of  
45 sectarian facilities, or for any other sectarian purpose or activity.  
46 These restrictions shall not [to] apply to the use by the institution or

1 foundation of any of the endowment contributions and donations with  
2 respect to which those matching funds were paid.

3 (cf: P.L.1999, c.226, s.12)

4

5 10. Section 13 of P.L.1999, c.226 (C.18A:62-41) is amended to  
6 read as follows:

7 13. In order for an institution or foundation to receive in a fiscal  
8 year State matching funds pursuant to an application therefor under  
9 the provisions of this act, the governing body of the institution or  
10 foundation shall provide the State Treasurer with a copy of the  
11 institution's annual independent financial audit, the institution's  
12 education foundation audit, or other financial certification, as deemed  
13 appropriate by the Treasurer, that verifies that the institution has  
14 raised the necessary amount through endowment contributions or  
15 donations to qualify for the State matching funds. An institution or  
16 foundation receiving State matching funds shall also provide in each  
17 fiscal year the annual average amount of endowment contributions and  
18 donations received in the contribution year and the donation year and  
19 in the five previous contribution and donation years.

20 (cf: P.L.1999, c.226, s.13)

21

22 11. Section 14 of P.L.1999, c.226 (C.18A:62-42) is amended to  
23 read as follows:

24 14. a. The endowment fund and the grant fund shall be  
25 administered separately by the State Treasurer. Each fund shall  
26 consist of moneys appropriated or otherwise made available to it by  
27 the Legislature and any interest received on the investment of moneys  
28 in that fund.

29 b. If, in any fiscal year, the fund balance in either the endowment  
30 fund or the grant fund is insufficient to fund payment in full of the  
31 State matching funds authorized to be paid under the provisions of this  
32 act, the [entitlement of an institution of higher education or  
33 institutionally related foundation to the amount of any underpayment  
34 shall not lapse, and shall have priority in the following fiscal year over  
35 any claim for payment of such matching funds arising in that following  
36 fiscal year] amount of available funds shall be prorated among all  
37 eligible applicants .

38 (cf: P.L.1999, c.226, s.14)

39

40 12. Section 17 of P.L. of P.L.1999, c.226 is amended to read as  
41 follows:

42 17. This act shall take effect immediately and shall apply to [any  
43 endowment contribution or donation made during the fiscal year of  
44 enactment or] endowment contributions and donations made during  
45 fiscal year 1999 and thereafter.

46 (cf: P.L.1999, c.226, s.17)

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13. This act shall take effect immediately.

STATEMENT

This bill revises certain provisions of the "Higher Education Incentive Funding Act," P.L.1999, c.226, to do the following:

authorizes the State Treasurer to establish a deadline for the submission of an application for State matching funds following the close of the fiscal year in which the endowment contribution or donation has been made to an institution of higher education or foundation;

provides that in the case of certain endowment contributions made to a public institution of higher education or a foundation related to the institution, State matching funds in the amount of 10% of the contribution or donation amount will be provided for the ten fiscal years following the contribution or donation year. The law currently provides that the 10% State matching funds amount will be provided to public institutions of higher education in the first fiscal year and that one-half of that amount would be provided in each subsequent fiscal year. Under current law, independent institutions of higher education and foundations related to those institutions that receive a single endowment contribution of \$1,000,000 or more are only eligible to receive State matching funds of 10% in the first fiscal year following the contribution or donation year and this remains unchanged under the bill's provisions;

provides that State matching funds may be used by the institution or foundation for the payment of the cost of building construction, in accordance with the terms as to use stipulated by the donor of the contribution or donation. The bill also provides that the matching funds cannot be used for the purpose of sectarian instruction, the construction or maintenance of sectarian facilities, or for any other sectarian purpose or activity;

requires an institution or foundation which is receiving State matching funds to provide to the State Treasurer in each fiscal year the annual average amount of endowment contributions and donations received in the contribution and donation year and in the five previous contribution and donations years;

clarifies that the contribution and donation threshold amounts from individual contributors or donors required under the law for receipt of State matching funds may be paid by the contributor or donor during the fiscal year in either a single payment or several payments; and

clarifies that the law's provisions apply to endowment contributions and donations made during fiscal year 1999.

# ASSEMBLY EDUCATION COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3571

# STATE OF NEW JERSEY

DATED: DECEMBER 6, 1999

The Assembly Education Committee favorably reports Assembly Bill No. 3571.

This bill revises certain provisions of the "Higher Education Incentive Funding Act," P.L.1999, c.226, to do the following:

- authorizes the State Treasurer to establish a deadline for the submission of an application for State matching funds following the close of the fiscal year in which the endowment contribution or donation has been made to an institution of higher education or foundation;

- provides that in the case of certain endowment contributions made to a public institution of higher education or a foundation related to the institution, State matching funds in the amount of 10% of the contribution amount will be provided for the ten fiscal years following the contribution or donation year. The law currently provides that the 10% State matching funds amount will be provided to public institutions of higher education in the first fiscal year and that one-half of that amount would be provided in each subsequent fiscal year. Under current law, independent institutions of higher education and foundations related to those institutions that receive a single endowment contribution of \$1,000,000 or more are only eligible to receive State matching funds of 10% in the first fiscal year following the contribution year and this remains unchanged under the bill's provisions;

- provides that State matching funds may be used by the institution or foundation for the payment of the cost of building construction, in accordance with the terms as to use stipulated by the donor of the contribution or donation. The bill also provides that the matching funds cannot be used for the purpose of sectarian instruction, the construction or maintenance of sectarian facilities, or for any other sectarian purpose or activity;

- requires an institution or foundation which is receiving State matching funds to provide to the State Treasurer in each fiscal year the annual average amount of endowment contributions and donations received in the contribution and donation year and in the five previous contribution and donations years;

- clarifies that the contribution and donation threshold amounts from individual contributors or donors required under the law for receipt of State matching funds may be paid by the contributor or donor during the fiscal year in either a single payment or several payments; and
- clarifies that the law's provisions apply to endowment contributions and donations made during fiscal year 1999.

**SENATE, No. 2293**

**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

INTRODUCED DECEMBER 6, 1999

**Sponsored by:**

**Senator WAYNE R. BRYANT**

**District 5 (Camden and Gloucester)**

**Senator JOHN J. MATHEUSSEN**

**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Revises certain procedures for the receipt of State matching funds against contributions and donations made to institutions of higher education and institutional foundations.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning higher education incentive funding and amending  
2 P.L.1999, c.226.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 4 of P.L.1999, c.226 (C.18A:62-32) is amended to read  
8 as follows:

9 4. There is created in the Department of the Treasury a non-lapsing  
10 fund, the "Higher Education Incentive Endowment Fund" (the  
11 "endowment fund"), which, subject to the availability of funds, shall be  
12 used to provide State matching funds against endowment contributions  
13 to four-year public institutions of higher education, two-year public  
14 institutions of higher education, and independent institutions of higher  
15 education that receive direct State aid, or their institutionally related  
16 foundations, in accordance with the provisions of sections 5 through  
17 7 of this act and subject to the provisions of subsections a. and b. of  
18 section 12 of the act.

19 (cf: P.L.1999, c.226, s.4)

20

21 2. Section 5 of P.L.1999, c.226 (C.18A:62-33) is amended to read  
22 as follows:

23 5. With respect to a fiscal year in which at least one person,  
24 corporation or other business entity, or foundation shall have made **[a**  
25 **single]** an endowment contribution to a four-year public institution of  
26 higher education, or to a foundation institutionally related to such a  
27 public institution, in the amount of \$1,000,000 or more, the recipient  
28 institution or foundation shall be eligible to receive State matching  
29 funds in subsequent fiscal years as follows:

30 a. In the fiscal year first following the contribution year, the  
31 institution or foundation may apply to the State Treasurer for State  
32 matching funds in an amount equal to 10% of the amount of each such  
33 contribution received in the contribution year. There shall be no limit  
34 on the number of such **[single]** endowment contributions from single  
35 contributors in that contribution year in the amount of \$1,000,000 or  
36 more each for which such application may be made. Any such  
37 application shall be made only with respect to the entire contribution  
38 year and may be submitted at any time after the close of that  
39 contribution year up until the application deadline established by the  
40 State Treasurer. **[Not]** Following the receipt of all applications, but  
41 not later than the 90th day following **[receipt of]** the application  
42 deadline, the State Treasurer shall determine the amount of State

**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.**

1 matching funds to which the applicant institution or foundation is  
2 entitled under this subsection and shall pay that amount from the  
3 endowment fund to the institution or foundation, including with that  
4 payment an explanation of the denial, if any, of any claim of  
5 entitlement to matching funds for which the institution or foundation  
6 had applied; and

7 b. In the second fiscal year following the contribution year and in  
8 each of the eight subsequent fiscal years following the **【contribution】**  
9 second fiscal year, the institution or foundation shall be entitled to  
10 receive from the endowment fund, without application, State matching  
11 funds in an amount equal to **【one-half of】** the amount paid under  
12 subsection a. of this section.

13 (cf: P.L.1999, c.226, s.5)

14

15 3. Section 6 of P.L.1999, c.226 (C.18A:62-34) is amended to read  
16 as follows:

17 6. a. With respect to a fiscal year in which at least one person,  
18 corporation or other business entity, or foundation shall have made **【a**  
19 **single】** an endowment contribution to a two-year public institution of  
20 higher education, or to a foundation institutionally related to such a  
21 public institution, in the amount of \$100,000 or more, the recipient  
22 institution or foundation shall be eligible to receive State matching  
23 funds in subsequent fiscal years as follows:

24 (1) In the fiscal year first following the contribution year, the  
25 institution or foundation may apply to the State Treasurer for State  
26 matching funds in an amount equal to 10% of the amount of each such  
27 contribution received in the contribution year. There shall be no limit  
28 on the number of such **【single】** endowment contributions from single  
29 contributors in that contribution year in the amount of \$100,000 or  
30 more each for which such application may be made. Any such  
31 application shall be made only with respect to the entire contribution  
32 year and may be submitted at any time after the close of that  
33 contribution year up until the application deadline established by the  
34 State Treasurer . **【Not】** Following the receipt of all applications, but  
35 not later than the 90th day following **【receipt of】** the application  
36 deadline, the State Treasurer shall determine the amount of State  
37 matching funds to which the applicant institution or foundation is  
38 entitled under this paragraph and shall pay that amount from the  
39 endowment fund to the institution or foundation, including with that  
40 payment an explanation of the denial, if any, of any claim of  
41 entitlement to matching funds for which the institution or foundation  
42 had applied; and

43 (2) In the second fiscal year following the contribution year and  
44 in each of the eight subsequent fiscal years following the  
45 **【contribution】** second fiscal year, the institution or foundation shall be  
46 entitled to receive from the endowment fund, without application,

1 State matching funds in an amount equal to **【one-half of】** the amount  
2 paid under paragraph (1) of this subsection.

3 b. With respect to a fiscal year in which three or more persons,  
4 corporations or other business entities, or foundations each shall have  
5 made **【single】** endowment contributions to a two-year public  
6 institution of higher education, or to a foundation institutionally  
7 related to such a public institution, in the amount of \$50,000 or more  
8 but less than \$100,000, and the cumulative amount in that fiscal year  
9 of those **【single】** endowment contributions of \$50,000 or more but  
10 less than \$100,000 is at least \$250,000, the recipient institution or  
11 foundation shall be eligible to receive State matching funds in  
12 subsequent fiscal years as follows:

13 (1) In the fiscal year first following the contribution year, the  
14 institution or foundation may apply to the State Treasurer for State  
15 matching funds in an amount equal to 10% of the highest exact  
16 multiple of \$250,000 that is less than or equal to that cumulative  
17 amount of such contributions received in the contribution year. There  
18 shall be no limit on the number of such **【single】** endowment  
19 contributions from single contributors in that contribution year in the  
20 amount of \$50,000 but less than \$100,000 each with respect to which  
21 such application may be made. Any such application shall be made  
22 only with respect to the entire contribution year and may be submitted  
23 at any time after the close of that contribution year up until the  
24 application deadline established by the State Treasurer. **【Not】**  
25 Following the receipt of all applications, but not later than the 90th  
26 day following **【receipt of】** the application deadline, the State  
27 Treasurer shall determine the amount of State matching funds to which  
28 the applicant institution or foundation is entitled under this paragraph  
29 and shall pay that amount from the endowment fund to the institution  
30 or foundation, including with that payment an explanation of the  
31 denial, if any, of any claim of entitlement to matching funds for which  
32 the institution or foundation had applied; and

33 (2) In the second fiscal year following the contribution year and  
34 in each of the eight subsequent fiscal years following the  
35 **【contribution】** second fiscal year, the institution or foundation shall be  
36 entitled to receive from the endowment fund, without application,  
37 State matching funds in an amount equal to **【one-half of】** the amount  
38 paid under paragraph (1) of this subsection.

39 (cf: P.L.1999, c.226, s.6)

40

41 4. Section 7 of P.L.1999, c.226 (C.18A:62-35) is amended to read  
42 as follows:

43 7. With respect to a fiscal year in which at least one person,  
44 corporation or other business entity, or foundation makes **【a single】**  
45 an endowment contribution to a four-year independent institution of

1 higher education that receives direct State aid, or to a foundation  
2 institutionally related to such an institution, in the amount of  
3 \$1,000,000 or more, the recipient institution or foundation shall be  
4 eligible to apply for and to receive State matching funds in the amount  
5 of \$100,000 with respect to each such contribution. There shall be no  
6 limit on the number of such **【single】** endowment contributions from  
7 single contributors in a contribution year in the amount of \$1,000,000  
8 or more each for which such application may be made. Any such  
9 application shall be made only with respect to the entire contribution  
10 year and may be submitted at any time after the close of that  
11 contribution year up until the application deadline established by the  
12 State Treasurer . **【Not】** Following the receipt of all applications, but  
13 not later than the 90th day following **【receipt of】** the application  
14 deadline , the State Treasurer shall determine the amount of State  
15 matching funds to which the applicant institution or foundation is  
16 entitled under this section and shall pay that amount from the  
17 endowment fund to the institution or foundation, including with that  
18 payment an explanation of the denial, if any, of any claim of  
19 entitlement to matching funds for which the institution or foundation  
20 had applied. An institution or foundation that shall have received  
21 payment of State matching funds under this section with respect to a  
22 contribution year shall not thereafter receive additional State matching  
23 funds with respect to the same contribution year.

24 (cf: P.L.1999, c.226, s.7)

25

26 5. Section 8 of P.L.1999, c.226 (C.18A:62-36) is amended to read  
27 as follows:

28 8. There is created in the Department of the Treasury a non-  
29 lapsing fund, the "Higher Education Incentive Grant Fund" (the "grant  
30 fund"), which, subject to the availability of funds, shall be used to  
31 provide State matching funds against donations to four-year public  
32 institutions of higher education, two-year public institutions of higher  
33 education, and independent institutions of higher education that  
34 receive direct State aid, or their institutionally related foundations, in  
35 accordance with the provisions of sections 9 through 11 of this act and  
36 subject to the provisions of subsections a. and b. of section 12 of the  
37 act.

38 (cf: P.L.1999, c.226, s.8)

39

40 6. Section 9 of P.L.1999, c.226 (C.18A:62-37) is amended to read  
41 as follows:

42 9. With respect to a fiscal year in which at least one person,  
43 corporation or other business entity, or foundation shall have made a  
44 **【single】** donation to a four-year public institution of higher education,  
45 or to a foundation institutionally related to such a public institution, in  
46 the amount of \$1,000,000 or more, the recipient institution or

1 foundation shall be eligible to receive State matching funds under this  
2 section. In the fiscal year next following the donation year, the  
3 institution or foundation may apply to the State Treasurer for State  
4 matching funds in an amount equal to 10% of the amount of each such  
5 donation received in the donation year. There shall be no limit on the  
6 number of such **【single】** donations from single donors in that donation  
7 year in the amount of \$1,000,000 or more each for which such  
8 application may be made. Any such application shall be made only  
9 with respect to the entire donation year and may be submitted at any  
10 time after the close of that donation year up until the application  
11 deadline established by the State Treasurer. **【Not】** Following the  
12 receipt of all applications, but not later than the 90th day following  
13 **【receipt of】** the application deadline, the State Treasurer shall  
14 determine the amount of State matching funds to which the applicant  
15 institution or foundation is entitled under this subsection and shall pay  
16 that amount from the grant fund to the institution or foundation,  
17 including with that payment an explanation of the denial, if any, of any  
18 claim of entitlement to matching funds for which the institution or  
19 foundation had applied. An institution or foundation that shall have  
20 received payment of State matching funds under this section with  
21 respect to a donation year shall not thereafter receive additional State  
22 matching funds with respect to the same donation year.  
23 (cf: P.L.1999, c.226, s.9)

24

25 7. Section 10 of P.L.1999, c.226 (C.18A:62-38) is amended to  
26 read as follows:

27 10. a. With respect to a fiscal year in which at least one person,  
28 corporation or other business entity, or foundation shall have made a  
29 **【single】** donation to a two-year public institution of higher education,  
30 or to a foundation institutionally related to such a public institution, in  
31 the amount of \$100,000 or more, the recipient institution or  
32 foundation shall be eligible to receive State matching funds under this  
33 subsection. In the fiscal year next following the donation year, the  
34 institution or foundation may apply to the State Treasurer for State  
35 matching funds in an amount equal to 10% of the amount of each such  
36 donation received in the donation year. There shall be no limit on the  
37 number of such **【single】** donations from single donors in that donation  
38 year in the amount of \$100,000 or more each for which such  
39 application may be made. Any such application shall be made only  
40 with respect to the entire donation year and may be submitted at any  
41 time after the close of that donation year up until the application  
42 deadline established by the State Treasurer. **【Not】** Following the  
43 receipt of all applications, but not later than the 90th day following  
44 **【receipt of】** the application deadline , the State Treasurer shall  
45 determine the amount of State matching funds to which the applicant  
46 institution or foundation is entitled under this subsection and shall pay

1 that amount from the grant fund to the institution or foundation,  
2 including with that payment an explanation of the denial, if any, of any  
3 claim of entitlement to matching funds for which the institution or  
4 foundation had applied. An institution or foundation that shall have  
5 received payment of State matching funds under this subsection with  
6 respect to a donation year shall not thereafter receive additional State  
7 matching funds with respect to the same donation year.

8 b. With respect to every fiscal year in which three or more  
9 persons, corporations or other business entities, or foundations each  
10 shall have made **【single】** donations to a two-year public institution of  
11 higher education, or to a foundation institutionally related to such a  
12 public institution, in the amount of \$50,000 or more but less than  
13 \$100,000, and the cumulative amount in that fiscal year of those  
14 **【single】** donations of \$50,000 or more but less than \$100,000 is at  
15 least \$250,000, the recipient institution or foundation shall be eligible  
16 to receive State matching funds under this subsection. In the fiscal  
17 year next following the donation year, the institution or foundation  
18 may apply to the State Treasurer for State matching funds in an  
19 amount equal to 10% of the highest exact multiple of \$250,000 that is  
20 less than or equal to that cumulative amount of such donations  
21 received in the donation year. There shall be no limit on the number  
22 of such **【single】** donations from single donors in that donation year in  
23 the amount of \$50,000 but less than \$100,000 each with respect to  
24 which such application may be made. Any such application shall be  
25 made only with respect to the entire donation year and may be  
26 submitted at any time after the close of that donation year up until the  
27 application deadline established by the State Treasurer. **【Not】**  
28 Following the receipt of all applications, but not later than the 90th  
29 day following 【receipt of】 the application deadline, the State  
30 Treasurer shall determine the amount of State matching funds to which  
31 the applicant institution or foundation is entitled under this subsection  
32 and shall pay that amount from the grant fund to the institution or  
33 foundation, including with that payment an explanation of the denial,  
34 if any, of any claim of entitlement to matching funds for which the  
35 institution or foundation had applied. An institution or foundation that  
36 shall have received payment of State matching funds under this  
37 subsection with respect to a donation year shall not thereafter receive  
38 additional State matching funds with respect to the same donation  
39 year.

40 (cf: P.L.1999, c.226, s.10)

41

42 8. Section 11 of P.L.1999, c.226 (C.18A:62-39) is amended to  
43 read as follows:

44 11. With respect to a fiscal year in which at least one person,  
45 corporation or other business entity, or foundation makes a **【single】**  
46 donation to a four-year independent institution of higher education

1 that receives direct State aid, or to a foundation institutionally related  
2 to such an institution, in the amount of \$1,000,000 or more, the  
3 recipient institution or foundation shall be eligible to apply for and to  
4 receive State matching funds in the amount of \$100,000 with respect  
5 to each such donation. There shall be no limit on the number of such  
6 **【single】** donations from single donors in that donation year in the  
7 amount of \$1,000,000 or more for which such application may be  
8 made. Any such application shall be made only with respect to the  
9 entire donation year and may be submitted at any time after the close  
10 of that donation year up until the application deadline established by  
11 the State Treasurer. 【Not】 Following the receipt of all applications,  
12 but not later than the 90th day following **【receipt of】** the application  
13 deadline, the State Treasurer shall determine the amount of State  
14 matching funds to which the applicant institution or foundation is  
15 entitled under this section and shall pay that amount from the grant  
16 fund to the institution or foundation, including with that payment an  
17 explanation of the denial, if any, of any claim of entitlement to  
18 matching funds for which the institution or foundation had applied.  
19 An institution or foundation that shall have received payment of State  
20 matching funds under this section with respect to a donation year shall  
21 not thereafter receive additional State matching funds with respect to  
22 the same donation year.

23 (cf: P.L.1999, c. 226, s.11)

24

25 9. Section 12 of P.L.1999, c.226 (C.18A:62-40) is amended to  
26 read as follows:

27 12. a. No institution of higher education having a total  
28 endowment of more than \$1,000,000,000, and no foundation  
29 institutionally related to such an institution, shall be eligible to receive  
30 State matching funds under this act.

31 b. No endowment contribution or donation to an institution of  
32 higher education from a foundation institutionally related to that  
33 institution shall be eligible to be matched with State funds under the  
34 provisions of this act.

35 c. The matching funds provided to an institution of higher  
36 education or to a foundation institutionally related to such an  
37 institution pursuant to sections 4 through 11 of this act shall be used  
38 by the institution or foundation exclusively for academic purposes and  
39 shall not be used to fund any activity, program or project unrelated or  
40 only incidentally related to those purposes, such as the award of  
41 athletic scholarships **【or】**, except that the matching funds may be used  
42 for the payment of the cost of building construction, 【but this  
43 restriction】 in accordance with the terms as to use for particular  
44 purposes stipulated by the donor of the endowment contribution or  
45 donation. The matching funds provided shall not be used for the  
46 purpose of sectarian instruction, the construction or maintenance of

1 sectarian facilities, or for any other sectarian purpose or activity.  
2 These restrictions shall not [to] apply to the use by the institution or  
3 foundation of any of the endowment contributions and donations with  
4 respect to which those matching funds were paid.

5 (cf: P.L.1999, c.226, s.12)

6

7 10. Section 13 of P.L.1999, c.226 (C.18A:62-41) is amended to  
8 read as follows:

9 13. In order for an institution or foundation to receive in a fiscal  
10 year State matching funds pursuant to an application therefor under  
11 the provisions of this act, the governing body of the institution or  
12 foundation shall provide the State Treasurer with a copy of the  
13 institution's annual independent financial audit, the institution's  
14 education foundation audit, or other financial certification, as deemed  
15 appropriate by the Treasurer, that verifies that the institution has  
16 raised the necessary amount through endowment contributions or  
17 donations to qualify for the State matching funds. An institution or  
18 foundation receiving State matching funds shall also provide in each  
19 fiscal year the annual average amount of endowment contributions and  
20 donations received in the contribution year and the donation year and  
21 in the five previous contribution and donation years.

22 (cf: P.L.1999, c.226, s.13)

23

24 11. Section 14 of P.L.1999, c.226 (C.18A:62-42) is amended to  
25 read as follows:

26 14. a. The endowment fund and the grant fund shall be  
27 administered separately by the State Treasurer. Each fund shall  
28 consist of moneys appropriated or otherwise made available to it by  
29 the Legislature and any interest received on the investment of moneys  
30 in that fund.

31 b. If, in any fiscal year, the fund balance in either the endowment  
32 fund or the grant fund is insufficient to fund payment in full of the  
33 State matching funds authorized to be paid under the provisions of this  
34 act, the [entitlement of an institution of higher education or  
35 institutionally related foundation to the amount of any underpayment  
36 shall not lapse, and shall have priority in the following fiscal year over  
37 any claim for payment of such matching funds arising in that following  
38 fiscal year] amount of available funds shall be prorated among all  
39 eligible applicants.

40 (cf: P.L.1999, c.226, s.14)

41

42 12. Section 17 of P.L. of P.L.1999, c.226 is amended to read as  
43 follows:

44 17. This act shall take effect immediately and shall apply to [any  
45 endowment contribution or donation made during the fiscal year of  
46 enactment or] endowment contributions and donations made during

1 fiscal year 1999 and thereafter.

2 (cf: P.L.1999, c.226, s.17)

3

4 13. This act shall take effect immediately.

5

6

STATEMENT

7

8 This bill revises certain provisions of the "Higher Education  
9 Incentive Funding Act," P.L.1999, c.226, to do the following:

10 authorizes the State Treasurer to establish a deadline for the  
11 submission of an application for State matching funds following the  
12 close of the fiscal year in which the endowment contribution or  
13 donation has been made to an institution of higher education or  
14 foundation;

15 provides that in the case of certain endowment contributions made  
16 to a public institution of higher education or a foundation related to  
17 the institution, State matching funds in the amount of 10% of the  
18 contribution or donation amount will be provided for the ten fiscal  
19 years following the contribution or donation year. The law currently  
20 provides that the 10% State matching funds amount will be provided  
21 to public institutions of higher education in the first fiscal year and that  
22 one-half of that amount would be provided in each subsequent fiscal  
23 year. Under current law, independent institutions of higher education  
24 and foundations related to those institutions that receive a single  
25 endowment contribution of \$1,000,000 or more are only eligible to  
26 receive State matching funds of 10% in the first fiscal year following  
27 the contribution or donation year and this remains unchanged under  
28 the bill's provisions;

29 provides that State matching funds may be used by the institution  
30 or foundation for the payment of the cost of building construction, in  
31 accordance with the terms as to use stipulated by the donor of the  
32 contribution or donation. The bill also provides that the matching  
33 funds cannot be used for the purpose of sectarian instruction, the  
34 construction or maintenance of sectarian facilities, or for any other  
35 sectarian purpose or activity;

36 requires an institution or foundation which is receiving State  
37 matching funds to provide to the State Treasurer in each fiscal year the  
38 annual average amount of endowment contributions and donations  
39 received in the contribution and donation year and in the five previous  
40 contribution and donations years;

41 clarifies that the contribution and donation threshold amounts from  
42 individual contributors or donors required under the law for receipt of  
43 State matching funds may be paid by the contributor or donor during  
44 the fiscal year in either a single payment or several payments; and  
45 clarifies that the law's provisions apply to endowment contributions  
46 and donations made during fiscal year 1999.

# SENATE EDUCATION COMMITTEE

## STATEMENT TO

### SENATE, No. 2293

# STATE OF NEW JERSEY

DATED: DECEMBER 13, 1999

The Senate Education Committee reports favorably Senate Bill No. 2293.

This bill revises certain provisions of the "Higher Education Incentive Funding Act," P.L.1999, c.226, to do the following:

- authorizes the State Treasurer to establish a deadline for the submission of an application for State matching funds following the close of the fiscal year in which the endowment contribution or donation has been made to an institution of higher education or foundation;
- provides that in the case of certain endowment contributions made to a public institution of higher education or a foundation related to the institution, State matching funds in the amount of 10% of the contribution or donation amount will be provided for the ten fiscal years following the contribution or donation year. The law currently provides that the 10% State matching funds amount will be provided to public institutions of higher education in the first fiscal year and that one-half of that amount would be provided in each subsequent fiscal year. Under current law, independent institutions of higher education and foundations related to those institutions that receive a single endowment contribution of \$1,000,000 or more are only eligible to receive State matching funds of 10% in the first fiscal year following the contribution or donation year and this remains unchanged under the bill's provisions;
- provides that State matching funds may be used by the institution or foundation for the payment of the cost of building construction, in accordance with the terms as to use stipulated by the donor of the contribution or donation. The bill also provides that the matching funds cannot be used for the purpose of sectarian instruction, the construction or maintenance of sectarian facilities, or for any other sectarian purpose or activity;
- requires an institution or foundation which is receiving State matching funds to provide to the State Treasurer in each fiscal year the annual average amount of endowment contributions and donations received in the contribution and donation year and in the five previous contribution and donations years;

- clarifies that the contribution and donation threshold amounts from individual contributors or donors required under the law for receipt of State matching funds may be paid by the contributor or donor during the fiscal year in either a single payment or several payments; and clarifies that the law's provisions apply to endowment contributions and donations made during fiscal year 1999.

PO BOX 004  
TRENTON, NJ 08625

*Office of the Governor*  
**NEWS RELEASE**

CONTACT: Gene Herman  
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RELEASE: January 14, 2000

**S-279** (Girgenti) (Russo) - Clarifies duties and responsibilities of municipal prosecutors.

**S-504** (Ciesla/Matheussen) (Blee/Malone) - Requires public school districts to provide transportation to all nonpublic schools in certain situations.

**S-912** (Palaia/Bark) (Roberts/Geist) - Authorizes certain charges to office of county fire marshal and allows creation of arson investigation unit therein.

**SCS for S-1196** (Kosco/Bryant/Furnari) (Cohen/DiGaetano) - Amends "Check Cashers Regulatory Act" to make it a crime to cash a check for consideration without a license and requires the revocation of license under certain circumstances; amends "Casino Control Act" to require casino licensees to file suspicious transaction report.

**S-1492** (Sinagra/Bassano) (Cruz-Perez/Vandervalk) - "Physician- Dentist Fellowship and Education Program to Provide Health Care to Persons with Developmental Disabilities," appropriates \$2,500,000.

**S-2217** (Gormley) (LeFevre/Blee) - Clarifies that cooperative to condominium conversions are not subject to realty transfer fee.

**AS for SCS for S-949** (Blee/Cruz-Perez/Previte/Bryant/Gormley) (Jones/Asselta) - Makes Division of Criminal Justice investigators and probation officers eligible for body armor grants.

**A-2965** (Bodine/Gregg) (Sinagra/Vitale) - Clarifies that only large water systems are required annually to mail drinking water quality information to customers; requires certain entities to post water quality test results.

**A-3270** (Malone/Cottrell) (Singer/Allen) - Requires a board of education providing certain services to nonpublic school pupils to provide consultation with representatives of the nonpublic school on any change in the provision of services.

**A-3408** (Biondi/Heck) (Kavanaugh/Robertson) - Provides sales tax exemptions for certain purchases by flood victims of Hurricane Floyd.

**A-3571** (Blee) (Bryant/Matheussen) - Revises certain procedures for the receipt of State matching funds against contributions and donations made to institutions of higher education and institutional foundations.

**S-1842** (Singer/Bark) (Malone/Conaway) - Establishes a special license plate to aid Deborah Hospital Foundation.

**S-1869** (O'Connor) (Asselta/Gregg) - Makes permanent the Vietnam Veterans' Memorial Fund contribution gross income tax return check-off.

**SCS for S-2034** (Ciesla/Codey) (Moran/Impeveduto) - Establishes certain licensing requirements for limousine drivers and additional requirements for owners of limousines.

**A-2055** (Weinberg/Zisa) (Bassano/Singer) - Establishes Prostate Cancer Awareness, Education and Research Program in DHSS; appropriates \$1 million.

**A-3245** (Lance/Gregg) (Schluter) - Appropriates \$200,000 for deer control research.

**A-3410** (Lance/Smith) (Lynch) - Authorizes municipalities to establish grant programs to provide relief to certain real property owners for damages due to floods, hurricanes and other natural disasters.

**A-3568** (Felice/Doria) (Bassano/Codey) - Continues health service corporation member on Individual Health Coverage and Small Employer Health Benefits Program boards.

**A-3622** (Kramer) (Inverso) - Excludes certain hedge fund activity income of corporations of foreign nations from taxation under the corporation business tax.

**A-3636** (DeCroce/Ciesla) - Exempts motor carrier employees from the State's statutory overtime wage rate requirements.