

**LEGISLATIVE HISTORY CHECKLIST**

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(Higher Education Technology Infrastructure)

**NJSA:** 18A:72A-59 to 18A:72A-71

**LAWS OF:** 1997 **CHAPTER:** 238

**BILL NO:** A3029

**SPONSOR(S):** Wolfe

**DATE INTRODUCED:** June 5, 1997

**COMMITTEE:** **ASSEMBLY:** Appropriations  
**SENATE:** ---

**AMENDED DURING PASSAGE:** Yes Amendments during pasage denoted  
First reprint enacted by superscrip numbers

**DATE OF PASSAGE:** **ASSEMBLY:** June 23, 1997  
**SENATE:** June 26, 1997

**DATE OF APPROVAL:** September 3, 1997

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** No

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** Yes

**HEARINGS:** No

974.90 New Jersey.  
C697 New Jersey's plan for higher education. October, 1996.  
1996b Trenton, 1996.

974.90 New Jersey. Commission on Higher Education.  
C697 Proposed master plan for higher education in New Jersey.  
1996 April 1, 1996. Trenton, 1996.  
[pp. 20-22]

KBP:pp

Title 18A  
Chapter 72A  
Article 12 (New)  
Higher Education  
Technology  
Infrastructure Fund  
§§1-13  
C. 18A:72A-59  
To 18A:72A-71

P.L. 1997, CHAPTER 238, *approved September 3, 1997*  
Assembly, No. 3029 (*First Reprint*)

1 AN ACT creating the Higher Education Technology Infrastructure  
2 Fund and supplementing chapter 72A of Title 18A of the New  
3 Jersey Statutes.

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

7  
8 1. This act shall be known and may be cited as the "Higher  
9 Education Technology Infrastructure Fund Act."

10  
11 2. The Legislature finds and declares that:

12 a. New Jersey's public and independent colleges and universities  
13 contribute substantially to the local, State, and national economies by  
14 developing the workforce, advancing knowledge through research and  
15 scholarship, and serving as a repository for information.

16 b. An integrated technology infrastructure is increasingly critical  
17 to teaching, research, workforce training, and the effectiveness and  
18 efficiency of New Jersey's higher education system.

19 c. Up-to-date telecommunications and information technology,  
20 including connectivity within and among institutions and with libraries  
21 and elementary and secondary schools, will enable students and faculty  
22 to access information and educational opportunities efficiently and  
23 effectively and will increase opportunities for institutions to  
24 collaborate and share resources.

25 d. Consortial arrangements and distance learning offer significant  
26 potential to reduce costs and increase access, but these new modes of  
27 delivery cannot succeed without a technology infrastructure which  
28 insures compatibility and connectivity.

29 e. Colleges and universities must address substantial, yet varying,

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Assembly AAP committee amendments adopted June 16, 1997.**

1 technological needs in order to participate fully in a comprehensive,  
2 current telecommunications network. To strengthen New Jersey's  
3 competitiveness and enhance the State's higher education system in a  
4 global and highly technological economy, it is essential to establish a  
5 dedicated source of funding to support investment by New Jersey's  
6 public and independent higher education institutions in technology  
7 infrastructure.

8

9 3. There is created within the New Jersey Educational Facilities  
10 Authority, established pursuant to N.J.S.18A:72A-1 et seq., the  
11 "Higher Education Technology Infrastructure Fund," hereinafter  
12 referred to as the "technology fund." The technology fund shall be  
13 maintained as a separate account and administered by the authority to  
14 carry out the provisions of this act. The technology fund shall consist  
15 of:

16 a. moneys received from the issuance of bonds or notes pursuant  
17 to section 7 of P.L. , c. (C. ) (now pending before the Legislature  
18 as this bill);

19 b. all moneys appropriated by the State for the purposes of the  
20 fund; and

21 c. all interest and investment earnings received on moneys in the  
22 technology fund.

23

24 4. The technology fund shall be used to develop technology  
25 infrastructure within and among New Jersey's institutions of higher  
26 education in order to provide access effectively and efficiently to  
27 information, educational opportunities, and workforce training. Funds  
28 may also be used to enhance the connectivity of higher education  
29 institutions to libraries and elementary and secondary schools.

30 As used in this act, "technology infrastructure" means video, voice,  
31 and data telecommunications equipment and linkages, including  
32 transport services and network interconnections.

33

34 5. The use of a grant from the technology fund shall require a  
35 matching amount from an institution equal to the amount of the grant  
36 provided. The initial grants from the technology fund shall be  
37 allocated as follows:

38 a. a minimum of \$12,600,000 for the acquisition of higher  
39 education technology infrastructure at the State colleges;

40 b. a minimum of \$7,722,000 for the acquisition of higher  
41 education technology infrastructure at Rutgers, The State University;

42 c. a minimum of \$4,306,500 for the acquisition of higher  
43 education technology infrastructure at the University of Medicine and  
44 Dentistry of New Jersey;

45 d. a minimum of \$2,821,500 for the acquisition of higher  
46 education technology infrastructure at the New Jersey Institute of

1 Technology;

2 e. a minimum of \$12,600,000 for the acquisition of higher  
3 education technology infrastructure at the county colleges;

4 f. a minimum of \$4,950,000 for the acquisition of higher education  
5 technology infrastructure at private institutions of higher education;  
6 <sup>1</sup>[and]<sup>1</sup>

7 g. a maximum of \$5,000,000 for interconnectivity among the  
8 higher education institutions. Expenditures shall be based on an inter-  
9 institutional needs assessment. If, as a result of the needs assessment,  
10 less than \$5,000,000 is expended from the funds allocated in this  
11 subsection, the remaining funds shall be allocated among the  
12 institutions designated in subsections a. through f. of this section based  
13 on the percentage of the total funds allocated in each of the  
14 subsections a. through f.,<sup>1</sup>and

15 h. a minimum of \$5,000,000 for non-matching public library grants  
16 or for statewide library technology initiatives through the New Jersey  
17 State Library.<sup>1</sup>

18 The Commission on Higher Education may reallocate any balance  
19 in the amount authorized in subsections a. through g. of this section,  
20 which has not been approved by the commission for a grant within 18  
21 months of the effective date of P.L. , c. (C. ) (now pending  
22 before the Legislature as this bill).

23 The commission shall determine the allocation of moneys  
24 deposited into the technology fund resulting from the issuance by the  
25 authority of new bonds because of the retirement of bonds previously  
26 issued by the authority.

27 Acquisition of technology infrastructure funded by grants from the  
28 technology fund shall follow the principles of affirmative action and  
29 equal opportunity employment. In furtherance of these principles, the  
30 commission shall continue its policy of encouraging institutions to  
31 solicit bids from, and award contracts to, minority and women-owned  
32 businesses.

33

34 6. a. The governing board of a public or private institution of  
35 higher education may determine, by resolution, to apply for a grant  
36 from the technology fund. Upon adoption of the resolution, the board  
37 shall file an application with the Commission on Higher Education,  
38 which application shall include a complete description of the  
39 technology infrastructure to be acquired and an identification of the  
40 sources of revenue to be used for the required institutional match.

41 b. The commission shall review the application and, by resolution,  
42 approve or disapprove the grant. For each grant which is approved,  
43 the commission shall establish the amount and shall forward a copy of  
44 the resolution along with the amount of the grant to the authority.

45 c. Each grant awarded under this act shall be contingent upon the  
46 recipient governing board entering into a contract or contracts for the

1 acquisition of technology infrastructure within one year of the date on  
2 which the funds of the grant are made available to the institution.

3  
4 7. a. The authority shall from time to time issue bonds or notes  
5 in an amount sufficient to finance the grants provided under this act  
6 and to finance the administrative costs associated with the approval  
7 process and the issuance of the bonds and notes for the purchase of  
8 higher education technology infrastructure for public and private  
9 institutions of higher education, provided that the total outstanding  
10 principal amount of the bonds and notes shall not exceed  
11 <sup>1</sup>~~[\$50,000,000]~~ \$55,000,000<sup>1</sup> and the term of any bond issued shall  
12 not exceed 15 years. In computing the foregoing limitation as to  
13 amount, there shall be excluded all bonds or notes which shall be  
14 issued for refunding purposes, provided that the refunding shall be  
15 determined by the authority to result in a debt service savings. The  
16 State Treasurer is hereby authorized to enter into a contract with the  
17 authority pursuant to which the State Treasurer, subject to available  
18 appropriation, shall pay the amount necessary to pay the principal and  
19 interest on bonds and notes of the authority issued pursuant to this  
20 section.

21 b. Bonds or notes issued pursuant to this act shall not be in any  
22 way a debt or liability of the State or of any political subdivision  
23 thereof other than the authority and shall not create or constitute any  
24 indebtedness, liability or obligation of the State or of any political  
25 subdivision thereof, or be or constitute a pledge of the faith and credit  
26 of the State or of any political subdivision thereof, but all bonds or  
27 notes, unless funded or refunded by the bonds or notes of the  
28 authority, shall be payable solely from revenues of funds pledged or  
29 available for their payment as authorized by this act. Each bond or  
30 note shall contain on its face a statement to the effect that the  
31 authority is obligated to pay the principal thereof, redemption  
32 premium, if any, or the interest thereon only from revenue or funds of  
33 the authority and that neither the State nor any political subdivision  
34 thereof is obligated to pay the principal thereof, redemption premium,  
35 if any, or interest thereon and that neither the faith and credit nor the  
36 taxing power of the State or of any political subdivision thereof is  
37 pledged to the payment of the principal of, redemption premium, if  
38 any, or the interest on the bonds.

39 c. The State of New Jersey does hereby pledge to and covenant  
40 and agree with the holders of any bonds or notes issued pursuant to  
41 P.L. , c. (C. )(now pending before the Legislature as this bill)  
42 that the State shall not limit or alter the rights or powers hereby vested  
43 in the authority to perform and fulfill the terms of any agreement made  
44 with the holders of the bonds or notes, or to fix, establish, charge and  
45 collect such rents, fees, rates, payments, or other charges as may be  
46 convenient or necessary to produce sufficient revenues to meet all

1 expenses of the authority and to fulfill the terms of any agreement  
2 made with the holders of the bonds and notes, together with interest  
3 thereon, with interest on any unpaid installments of interest, and all  
4 costs and expenses in connection with any action or proceedings by or  
5 on behalf of the holders, until the bonds and notes, together with  
6 interest thereon, are fully met and discharged or provided for.

7  
8 8. The authority may enter into an agreement with a public or  
9 private institution of higher education to finance the acquisition of  
10 higher education technology infrastructure by the institution. In  
11 entering into an agreement with a public or private institution of higher  
12 education, the authority shall include in the agreement such provisions  
13 as may be necessary to ensure that the institution shall provide a  
14 matching amount at least equal to the amount of the grant provided.

15  
16 9. The authority shall not enter into an agreement with an  
17 institution of higher education unless the Commission on Higher  
18 Education has adopted a resolution which approves the acquisition of  
19 the higher education technology infrastructure by the institution.

20  
21 10. a. To finance the matching amounts for institutions of higher  
22 education which have received grants from the technology fund, the  
23 authority may from time to time issue bonds or notes in an amount  
24 sufficient to finance the purchase of higher education technology  
25 infrastructure pursuant to agreements with public and private  
26 institutions of higher education and to finance the administrative costs  
27 associated with the issuance of bonds or notes. The authority shall  
28 issue the bonds or notes in such manner as it shall determine in  
29 accordance with the provisions of P.L. , c. (C. )(now pending  
30 before the Legislature as this bill) and the "New Jersey educational  
31 facilities authority law," N.J.S.18A:72A-1 et seq. The bonds or notes  
32 issued pursuant to this section shall be repaid by the institutions of  
33 higher education from any available funds, except grant funds  
34 provided to the institution of higher education pursuant to this act.

35 b. The authority shall require that if an institution of higher  
36 education fails or is unable to pay to the authority in full, when due,  
37 any obligation of the institution to the authority, an amount sufficient  
38 to satisfy the deficiency shall be retained by the State Treasurer from  
39 State aid or an appropriation payable to the institution and paid to the  
40 authority. As used in this subsection, "obligation of the institution"  
41 means any amount payable by the institution for technology  
42 infrastructure pursuant to an agreement with the authority.

43 c. The amount retained by the State Treasurer shall be deducted  
44 from the corresponding appropriation or apportionment of State aid  
45 payable to the institution of higher education and shall not obligate the  
46 State to make, nor entitle the institution to receive, any additional

1 appropriation or apportionment.

2

3 11. In order to ensure the most effective utilization of the moneys  
4 in the technology fund and to guide governing boards which elect to  
5 apply for a grant, the Commission on Higher Education shall establish  
6 criteria for approval and shall specify the information to be included  
7 in a grant application.

8

9 12. The Commission on Higher Education, in consultation with  
10 the New Jersey Educational Facilities Authority, shall adopt, pursuant  
11 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
12 et seq.), the rules and regulations necessary to carry out the provisions  
13 of this act.

14

15 13. The Commission on Higher Education shall annually submit a  
16 report to the Governor and the Legislature on the higher education  
17 technology infrastructure purchases at public and private institutions  
18 of higher education, which have been approved by the commission and  
19 financed by the New Jersey Educational Facilities Authority pursuant  
20 to this act.

21

22 14. This act shall take effect immediately.

23

24

25

26

27 \_\_\_\_\_  
28 Creates the Higher Education Technology Infrastructure Fund in the  
New Jersey Educational Facilities Authority.

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11

12 14. This act shall take effect immediately.

13

14

#### 15 STATEMENT

16

17 This bill creates the "Higher Education Technology Infrastructure  
18 Fund" within the New Jersey Educational Facilities Authority. The  
19 technology fund would be used to provide grants to institutions of  
20 higher education for the development of technology infrastructure  
21 within and among the institutions in order to provide access to  
22 information, educational opportunities and workforce training. As  
23 used in the bill, "technology infrastructure" means video, voice, and  
24 data telecommunications equipment and linkages, including transport  
25 services and network interconnections.

26 In order to finance the technology fund, bonds or notes in the  
27 maximum amount of \$50,000,000 would be issued by the authority for  
28 a maximum term of 15 years. The bonds or notes would not be a debt  
29 or liability of the State or of any political subdivision of the State,  
30 other than the authority.

31 An institution which receives a grant is required to provide a  
32 matching amount equal to the amount of the grant, and the matching  
33 amount may also be financed by the authority through the issuance of  
34 bonds or notes.

35 The bill allocates the initial grants as follows:

36 a. a minimum of \$12,600,000 for the acquisition of a higher  
37 education technology infrastructure at the State colleges;

38 b. a minimum of \$7,722,000 for the acquisition of higher  
39 education technology infrastructure at Rutgers, The State University;

40 c. a minimum of \$4,306,500 for the acquisition of higher  
41 education technology infrastructure at the University of Medicine and  
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- 1 education technology infrastructure at the county colleges;
- 2 f. a minimum of \$4,950,000 for the acquisition of higher education
- 3 technology infrastructure at private institutions of higher education;
- 4 and
- 5 g. a maximum of \$5,000,000 for interconnectivity among the
- 6 higher education institutions.

7 In order to receive a grant, the governing body of a public or  
8 private institution of higher education would determine, by resolution,  
9 to apply for a grant. The application would be submitted to the  
10 Commission on Higher Education along with a complete description  
11 of the project, an identification of the sources of revenue to be used  
12 for the institution's matching amount, and any other information  
13 required by the regulations to be adopted by the commission. For each  
14 grant approved, the commission would establish the amount and notify  
15 the authority of the approval and the amount of the grant. A  
16 governing board which receives a grant must enter into a contract for  
17 the technology infrastructure within one year after the date the funds  
18 are made available to the institution.

19

20

21

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22

23 Creates the Higher Education Technology Infrastructure Fund in the  
24 New Jersey Educational Facilities Authority.

[Passed Both Houses]

[First Reprint]

ASSEMBLY, No. 3029

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# STATE OF NEW JERSEY

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INTRODUCED JUNE 5, 1997

By Assemblymen COLLINS, WOLFE, Malone, Assemblywoman  
Murphy, Assemblymen Lance, Augustine, Assemblywoman  
J.Smith, Assemblymen Blee, Kavanaugh, Rocco,  
Assemblywoman Crecco, Assemblyman DeCroce,  
Assemblywoman Turner, Senators DiFrancesco and Lesniak

1 AN ACT creating the Higher Education Technology Infrastructure  
2 Fund and supplementing chapter 72A of Title 18A of the New  
3 Jersey Statutes.

4

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

7

8 1. This act shall be known and may be cited as the "Higher  
9 Education Technology Infrastructure Fund Act."

10

11 2. The Legislature finds and declares that:

12 a. New Jersey's public and independent colleges and universities  
13 contribute substantially to the local, State, and national economies by  
14 developing the workforce, advancing knowledge through research and  
15 scholarship, and serving as a repository for information.

16 b. An integrated technology infrastructure is increasingly critical  
17 to teaching, research, workforce training, and the effectiveness and  
18 efficiency of New Jersey's higher education system.

19 c. Up-to-date telecommunications and information technology,  
20 including connectivity within and among institutions and with libraries  
21 and elementary and secondary schools, will enable students and faculty  
22 to access information and educational opportunities efficiently and  
23 effectively and will increase opportunities for institutions to  
24 collaborate and share resources.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly AAP committee amendments adopted June 16, 1997.

1 d. Consortial arrangements and distance learning offer significant  
2 potential to reduce costs and increase access, but these new modes of  
3 delivery cannot succeed without a technology infrastructure which  
4 insures compatibility and connectivity.

5 e. Colleges and universities must address substantial, yet varying,  
6 technological needs in order to participate fully in a comprehensive,  
7 current telecommunications network. To strengthen New Jersey's  
8 competitiveness and enhance the State's higher education system in a  
9 global and highly technological economy, it is essential to establish a  
10 dedicated source of funding to support investment by New Jersey's  
11 public and independent higher education institutions in technology  
12 infrastructure.

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14 3. There is created within the New Jersey Educational Facilities  
15 Authority, established pursuant to N.J.S.18A:72A-1 et seq., the  
16 "Higher Education Technology Infrastructure Fund," hereinafter  
17 referred to as the "technology fund." The technology fund shall be  
18 maintained as a separate account and administered by the authority to  
19 carry out the provisions of this act. The technology fund shall consist  
20 of:

21 a. moneys received from the issuance of bonds or notes pursuant  
22 to section 7 of P.L. , c. (C. ) (now pending before the Legislature  
23 as this bill);

24 b. all moneys appropriated by the State for the purposes of the  
25 fund; and

26 c. all interest and investment earnings received on moneys in the  
27 technology fund.

28

29 4. The technology fund shall be used to develop technology  
30 infrastructure within and among New Jersey's institutions of higher  
31 education in order to provide access effectively and efficiently to  
32 information, educational opportunities, and workforce training. Funds  
33 may also be used to enhance the connectivity of higher education  
34 institutions to libraries and elementary and secondary schools.

35 As used in this act, "technology infrastructure" means video, voice,  
36 and data telecommunications equipment and linkages, including  
37 transport services and network interconnections.

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39 5. The use of a grant from the technology fund shall require a  
40 matching amount from an institution equal to the amount of the grant  
41 provided. The initial grants from the technology fund shall be  
42 allocated as follows:

43 a. a minimum of \$12,600,000 for the acquisition of higher  
44 education technology infrastructure at the State colleges;

45 b. a minimum of \$7,722,000 for the acquisition of higher  
46 education technology infrastructure at Rutgers, The State University;

1 c. a minimum of \$4,306,500 for the acquisition of higher  
2 education technology infrastructure at the University of Medicine and  
3 Dentistry of New Jersey;

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5 education technology infrastructure at the New Jersey Institute of  
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8 education technology infrastructure at the county colleges;

9 f. a minimum of \$4,950,000 for the acquisition of higher education  
10 technology infrastructure at private institutions of higher education;  
11 **'[and]'**

12 g. a maximum of \$5,000,000 for interconnectivity among the  
13 higher education institutions. Expenditures shall be based on an inter-  
14 institutional needs assessment. If, as a result of the needs assessment,  
15 less than \$5,000,000 is expended from the funds allocated in this  
16 subsection, the remaining funds shall be allocated among the  
17 institutions designated in subsections a. through f. of this section based  
18 on the percentage of the total funds allocated in each of the  
19 subsections a. through f., **'and'**

20 h. a minimum of \$5,000,000 for non-matching public library grants  
21 or for statewide library technology initiatives through the New Jersey  
22 State Library.<sup>1</sup>

23 The Commission on Higher Education may reallocate any balance  
24 in the amount authorized in subsections a. through g. of this section,  
25 which has not been approved by the commission for a grant within 18  
26 months of the effective date of P.L. , c. (C. ) (now pending  
27 before the Legislature as this bill).

28 The commission shall determine the allocation of moneys  
29 deposited into the technology fund resulting from the issuance by the  
30 authority of new bonds because of the retirement of bonds previously  
31 issued by the authority.

32 Acquisition of technology infrastructure funded by grants from the  
33 technology fund shall follow the principles of affirmative action and  
34 equal opportunity employment. In furtherance of these principles, the  
35 commission shall continue its policy of encouraging institutions to  
36 solicit bids from, and award contracts to, minority and women-owned  
37 businesses.

38  
39 6. a. The governing board of a public or private institution of  
40 higher education may determine, by resolution, to apply for a grant  
41 from the technology fund. Upon adoption of the resolution, the board  
42 shall file an application with the Commission on Higher Education,  
43 which application shall include a complete description of the  
44 technology infrastructure to be acquired and an identification of the  
45 sources of revenue to be used for the required institutional match.

46 b. The commission shall review the application and, by resolution,

1 approve or disapprove the grant. For each grant which is approved,  
2 the commission shall establish the amount and shall forward a copy of  
3 the resolution along with the amount of the grant to the authority.

4 c. Each grant awarded under this act shall be contingent upon the  
5 recipient governing board entering into a contract or contracts for the  
6 acquisition of technology infrastructure within one year of the date on  
7 which the funds of the grant are made available to the institution.

8

9 7. a. The authority shall from time to time issue bonds or notes  
10 in an amount sufficient to finance the grants provided under this act  
11 and to finance the administrative costs associated with the approval  
12 process and the issuance of the bonds and notes for the purchase of  
13 higher education technology infrastructure for public and private  
14 institutions of higher education, provided that the total outstanding  
15 principal amount of the bonds and notes shall not exceed  
16 ~~['\$50,000,000']~~ \$55,000,000<sup>1</sup> and the term of any bond issued shall  
17 not exceed 15 years. In computing the foregoing limitation as to  
18 amount, there shall be excluded all bonds or notes which shall be  
19 issued for refunding purposes, provided that the refunding shall be  
20 determined by the authority to result in a debt service savings. The  
21 State Treasurer is hereby authorized to enter into a contract with the  
22 authority pursuant to which the State Treasurer, subject to available  
23 appropriation, shall pay the amount necessary to pay the principal and  
24 interest on bonds and notes of the authority issued pursuant to this  
25 section.

26 b. Bonds or notes issued pursuant to this act shall not be in any  
27 way a debt or liability of the State or of any political subdivision  
28 thereof other than the authority and shall not create or constitute any  
29 indebtedness, liability or obligation of the State or of any political  
30 subdivision thereof, or be or constitute a pledge of the faith and credit  
31 of the State or of any political subdivision thereof, but all bonds or  
32 notes, unless funded or refunded by the bonds or notes of the  
33 authority, shall be payable solely from revenues of funds pledged or  
34 available for their payment as authorized by this act. Each bond or  
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37 premium, if any, or the interest thereon only from revenue or funds of  
38 the authority and that neither the State nor any political subdivision  
39 thereof is obligated to pay the principal thereof, redemption premium,  
40 if any, or interest thereon and that neither the faith and credit nor the  
41 taxing power of the State or of any political subdivision thereof is  
42 pledged to the payment of the principal of, redemption premium, if  
43 any, or the interest on the bonds.

44 c. The State of New Jersey does hereby pledge to and covenant  
45 and agree with the holders of any bonds or notes issued pursuant to  
46 P.L. , c. (C. )(now pending before the Legislature as this bill)

1 that the State shall not limit or alter the rights or powers hereby vested  
2 in the authority to perform and fulfill the terms of any agreement made  
3 with the holders of the bonds or notes, or to fix, establish, charge and  
4 collect such rents, fees, rates, payments, or other charges as may be  
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8 thereon, with interest on any unpaid installments of interest, and all  
9 costs and expenses in connection with any action or proceedings by or  
10 on behalf of the holders, until the bonds and notes, together with  
11 interest thereon, are fully met and discharged or provided for.

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13 8. The authority may enter into an agreement with a public or  
14 private institution of higher education to finance the acquisition of  
15 higher education technology infrastructure by the institution. In  
16 entering into an agreement with a public or private institution of higher  
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38 higher education from any available funds, except grant funds  
39 provided to the institution of higher education pursuant to this act.

40 b. The authority shall require that if an institution of higher  
41 education fails or is unable to pay to the authority in full, when due,  
42 any obligation of the institution to the authority, an amount sufficient  
43 to satisfy the deficiency shall be retained by the State Treasurer from  
44 State aid or an appropriation payable to the institution and paid to the  
45 authority. As used in this subsection, "obligation of the institution"  
46 means any amount payable by the institution for technology

1 infrastructure pursuant to an agreement with the authority.

2 c. The amount retained by the State Treasurer shall be deducted  
3 from the corresponding appropriation or apportionment of State aid  
4 payable to the institution of higher education and shall not obligate the  
5 State to make, nor entitle the institution to receive, any additional  
6 appropriation or apportionment.

7

8 11. In order to ensure the most effective utilization of the moneys  
9 in the technology fund and to guide governing boards which elect to  
10 apply for a grant, the Commission on Higher Education shall establish  
11 criteria for approval and shall specify the information to be included  
12 in a grant application.

13

14 12. The Commission on Higher Education, in consultation with  
15 the New Jersey Educational Facilities Authority, shall adopt, pursuant  
16 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
17 et seq.), the rules and regulations necessary to carry out the provisions  
18 of this act.

19

20 13. The Commission on Higher Education shall annually submit a  
21 report to the Governor and the Legislature on the higher education  
22 technology infrastructure purchases at public and private institutions  
23 of higher education, which have been approved by the commission and  
24 financed by the New Jersey Educational Facilities Authority pursuant  
25 to this act.

26

27 14. This act shall take effect immediately.

28

29

30

31

32 \_\_\_\_\_  
33 Creates the Higher Education Technology Infrastructure Fund in the  
New Jersey Educational Facilities Authority.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3029

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 16, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3029, with committee amendments.

Assembly Bill No. 3029, as amended creates the "Higher Education Technology Infrastructure Fund" within the New Jersey Educational Facilities Authority. The fund would be used to provide grants to institutions of higher education for the development of technology infrastructure within and among the institutions in order to provide access to information, educational opportunities and workforce training. As used in the bill, "technology infrastructure" means video, voice, and data telecommunications equipment and linkages, including transport services and network interconnections.

In order to finance the fund, bonds or notes in the maximum amount of \$55,000,000 would be issued by the authority for a maximum term of 15 years. The bonds or notes would not be a debt or liability of the State or of any political subdivision of the State, other than the authority.

An institution which receives a grant is required to provide a matching amount equal to the amount of the grant, and the matching amount may also be financed by the authority through the issuance of bonds or notes.

#### FISCAL IMPACT:

A maximum of \$55,000,000 in N.J. Educational Facilities Authority bonds or notes would be issued.

The bill allocates the initial grants as follows:

- a. a minimum of \$12,600,000 for the acquisition of a higher education technology infrastructure at the State colleges;
- b. a minimum of \$7,722,000 for the acquisition of higher education technology infrastructure at Rutgers, The State University;
- c. a minimum of \$4,306,500 for the acquisition of higher education technology infrastructure at the University of Medicine and Dentistry of New Jersey;
- d. a minimum of \$2,821,500 for the acquisition of higher education technology infrastructure at the New Jersey Institute of Technology;



e. a minimum of \$12,600,000 for the acquisition of higher education technology infrastructure at the county colleges;

f. a minimum of \$4,950,000 for the acquisition of higher education technology infrastructure at private institutions of higher education; and

g. a maximum of \$5,000,000 for interconnectivity among the higher education institutions.

h. a minimum of \$5,000,000 for public library grants or library technology initiatives.

In order to receive a grant, the governing body of the public or private institution would apply for a grant, submit to the Commission on Higher Education along with a complete description of the project, an identification of the sources of revenue to be used for the institution's matching amount, and any other information required by the regulations to be adopted by the commission. For each grant approved, the commission would establish the amount and notify the authority of the approval and the amount of the grant. A governing board which receives a grant must enter into a contract for the technology infrastructure within one year after the date the funds are made available to the institution.

COMMITTEE AMENDMENTS:

The amendments increase by \$5,000,000 the \$50,000,000 maximum to \$55,000,000. The additional amount is for library purposes.