

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:

¹ 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 ¹[and]¹

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.,¹and

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.¹

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 ¹[\$50,000,000] \$55,000,000¹ 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.

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