

[First Reprint]
SENATE, No. 2158

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By 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.

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,
30 technological needs in order to participate fully in a comprehensive,
31 current telecommunications network. To strengthen New Jersey's

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 Senate SBA committee amendments adopted June 19, 1997.

1 competitiveness and enhance the State's higher education system in a
2 global and highly technological economy, it is essential to establish a
3 dedicated source of funding to support investment by New Jersey's
4 public and independent higher education institutions in technology
5 infrastructure.

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

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

17 b. all moneys appropriated by the State for the purposes of the
18 fund; and

19 c. all interest and investment earnings received on moneys in the
20 technology fund.

21
22 4. The technology fund shall be used to develop technology
23 infrastructure within and among New Jersey's institutions of higher
24 education in order to provide access effectively and efficiently to
25 information, educational opportunities, and workforce training. Funds
26 may also be used to enhance the connectivity of higher education
27 institutions to libraries and elementary and secondary schools.

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

31
32 5. The use of a grant from the technology fund shall require a
33 matching amount from an institution equal to the amount of the grant
34 provided. The initial grants from the technology fund shall be allocated
35 as follows:

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

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

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

43 d. a minimum of \$2,821,500 for the acquisition of higher education
44 technology infrastructure at the New Jersey Institute of Technology;

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

1 f. a minimum of \$4,950,000 for the acquisition of higher education
2 technology infrastructure at private institutions of higher education;
3 ¹[and]¹

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

12 h. a minimum of \$5,000,000 for non-matching public library grants
13 or for statewide library technology initiatives through the New Jersey
14 State Library¹.

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

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

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

30
31 6. a. The governing board of a public or private institution of
32 higher education may determine, by resolution, to apply for a grant
33 from the technology fund. Upon adoption of the resolution, the board
34 shall file an application with the Commission on Higher Education,
35 which application shall include a complete description of the
36 technology infrastructure to be acquired and an identification of the
37 sources of revenue to be used for the required institutional match.

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

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

1 7. a. The authority shall from time to time issue bonds or notes in
2 an amount sufficient to finance the grants provided under this act and
3 to finance the administrative costs associated with the approval
4 process and the issuance of the bonds and notes for the purchase of
5 higher education technology infrastructure for public and private
6 institutions of higher education, provided that the total outstanding
7 principal amount of the bonds and notes shall not exceed
8 ¹[\$50,000,000] \$55,000,000¹ and the term of any bond issued shall not
9 exceed 15 years. In computing the foregoing limitation as to amount,
10 there shall be excluded all bonds or notes which shall be issued for
11 refunding purposes, provided that the refunding shall be determined by
12 the authority to result in a debt service savings. The State Treasurer
13 is hereby authorized to enter into a contract with the authority
14 pursuant to which the State Treasurer, subject to available
15 appropriation, shall pay the amount necessary to pay the principal and
16 interest on bonds and notes of the authority issued pursuant to this
17 section.

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

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

1 costs and expenses in connection with any action or proceedings by or
2 on behalf of the holders, until the bonds and notes, together with
3 interest thereon, are fully met and discharged or provided for.

4
5 8. The authority may enter into an agreement with a public or
6 private institution of higher education to finance the acquisition of
7 higher education technology infrastructure by the institution. In
8 entering into an agreement with a public or private institution of higher
9 education, the authority shall include in the agreement such provisions
10 as may be necessary to ensure that the institution shall provide a
11 matching amount at least equal to the amount of the grant provided.

12
13 9. The authority shall not enter into an agreement with an
14 institution of higher education unless the Commission on Higher
15 Education has adopted a resolution which approves the acquisition of
16 the higher education technology infrastructure by the institution.

17
18 10. a. To finance the matching amounts for institutions of higher
19 education which have received grants from the technology fund, the
20 authority may from time to time issue bonds or notes in an amount
21 sufficient to finance the purchase of higher education technology
22 infrastructure pursuant to agreements with public and private
23 institutions of higher education and to finance the administrative costs
24 associated with the issuance of bonds or notes. The authority shall
25 issue the bonds or notes in such manner as it shall determine in
26 accordance with the provisions of P.L. , c. (C.)(now pending
27 before the Legislature as this bill) and the "New Jersey educational
28 facilities authority law," N.J.S.18A:72A-1 et seq. The bonds or notes
29 issued pursuant to this section shall be repaid by the institutions of
30 higher education from any available funds, except grant funds
31 provided to the institution of higher education pursuant to this act.

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

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

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46 11. In order to ensure the most effective utilization of the moneys

1 in the technology fund and to guide governing boards which elect to
2 apply for a grant, the Commission on Higher Education shall establish
3 criteria for approval and shall specify the information to be included
4 in a grant application.

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

11
12 13. The Commission on Higher Education shall annually submit a
13 report to the Governor and the Legislature on the higher education
14 technology infrastructure purchases at public and private institutions
15 of higher education, which have been approved by the commission
16 and financed by the New Jersey Educational Facilities Authority
17 pursuant to this act.

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19 14. This act shall take effect immediately.

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