

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2158

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 19, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2158 with amendments.

Senate Bill No. 2158, as amended, creates the "Higher Education Technology Infrastructure Fund" within the New Jersey Educational Facilities Authority. The technology 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 technology fund, bonds or notes in the maximum amount of \$55 million 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 to be repaid by the higher education institutions for which the bonds were issued.

The bill allocates the initial grants as follows:

- a. a minimum of \$12.6 million 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 \$12.6 million for the acquisition of higher education technology infrastructure at the county colleges;
- f. a minimum of \$4.95 million for the acquisition of higher

education technology infrastructure at private institutions of higher education;

g. a maximum of \$5 million for interconnectivity among the higher education institutions; and

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

In order to receive a grant, the governing body of a public or private institution of higher education would determine, by resolution, to apply for a grant. The application would be submitted 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.

As amended and reported, this bill is identical to Assembly Bill No. 3029 (1R) (Collins/Wolfe).

COMMITTEE AMENDMENTS:

The committee amended the bill to increase the maximum amount of bonds that may be issued to \$55 million in order to provide a minimum of \$5,000,000 for non-matching public library grants or for statewide library technology initiatives through the New Jersey State Library.

FISCAL IMPACT:

This bill permits the New Jersey Educational Facilities Authority to issue bonds in an amount up to \$55 million to provide grants to institutions of higher education and public libraries for the development of technology infrastructure within and among the institutions.