

# Higher Education Facilities Trust Fund Statute

## **18A:72A-51. "Higher Education Facilities Trust Fund"**

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

- a. moneys received from the issuance of bonds or notes pursuant to section 9 of P.L.1993, c.375 (C.18A:72A-57) and an annual appropriation from the net proceeds of the State lottery established by P.L.1970, c.13 (C.5:9-1 et seq.) in an amount sufficient to pay the principal and interest on the bonds or notes;
- b. all moneys appropriated by the State for the purposes of the trust fund; and
- c. all interest and investment earnings received on moneys in the trust fund.

L.1993,c.375,s.3.

## **18A:72A-52. Use of trust fund**

4. The trust fund shall be used to provide grants to New Jersey's public and private institutions of higher education for the cost, or a portion of the cost, of the construction, reconstruction, development, extension, and improvement of instructional, laboratory, communication, and research facilities.

L.1993,c.375,s.4.

## **18A:72A-53. Allocation of initial grants**

5. The initial grants from the trust fund shall be allocated as follows:

- a. \$48,000,000 for facilities at the State Colleges;
- b. \$38,880,000 for facilities at Rutgers, The State University
- c. \$20,160,000 for facilities at the University of Medicine and Dentistry of New Jersey;
- d. \$12,960,000 for facilities at the New Jersey Institute of Technology;
- e. \$44,000,000 for facilities at the county colleges;
- f. \$21,000,000 for facilities at the private institutions of higher education;
- g. \$15,000,000 for South Jersey multi-institutional economic development facilities. As used

in this section, "South Jersey multi-institutional economic development facilities" means facilities which would promote economic development in the eight southernmost counties of the State and which involve more than one public or private institution of higher education; and

h. \$20,000,000 for a new facility for Rutgers, The State University, School of Law, Newark.

The amount authorized in subsection g. may be apportioned among any other amounts authorized in subsections a. through f. of this section.

The Board of Higher Education may reallocate any balance in an amount authorized in subsections a. through h. of this section which has not been app determine, by resolution, to apply for a grant from the trust fund. Upon adoption of the resolution, the board shall file an application with the Board of Higher Education, which application shall include a complete description of the project to be financed and an identification of any additional sources of revenue to be used.

b. The Board of Higher Education shall review the application and, by resolution, approve or disapprove the grant. For each grant which is approved, the board shall establish the amount and shall forward a copy of the resolution along with the amount of the grant to the authority.

c. The Board of Higher Education shall submit to the Legislature a copy of the resolution approving the grant along with the amount of the grant. If the Legislature does not disapprove the grant by the adoption of a concurrent resolution within 60 days, the grant shall be deemed to be authorized. In addition, the resolution approving the grant for the new instructional and research facility for Rutgers, The State University, School of Law, Newark, shall be submitted by the board to the Joint Budget Oversight Committee for its approval prior to the board's submission of the resolution to the Legislature. The board shall provide to the committee such information concerning the grant as the committee may require for its consideration.

d. Each grant awarded under this act shall be contingent upon the recipient governing board entering into a contract or contracts for the commencement of the construction, reconstruction, development, extension, or improvement of the facility within one year of the date on which the funds of the grant are made available.

L.1993,c.375,s.6.

#### **18A:72A-55. List of selection criteria**

7. In order to ensure the most effective utilization of the moneys in the trust fund and to guide governing boards which elect to apply for a grant, the Board of Higher Education shall establish a list of selection criteria and shall specify the information to be included in a grant application.

L.1993,c.375,s.7.

#### **18A:72A-56. "Higher Education Facilities Trust Fund Board"**

8. In order to ensure proper oversight and review, there is created the "Higher Education Facilities Trust Fund Board" which shall consist of six members as follows: the Chair and Vice Chair of the Board of Higher Education; the State Treasurer or a designee; the President of the Senate or a designee; the Speaker of the General Assembly or a designee; and the Chancellor of

Higher Education who shall serve ex officio without vote. The board shall ensure that the revenue provided to the trust fund is adequate to support the grants approved by the Board of Higher Education. At the end of each three-year period following the approval of this act, the board shall review, in consultation with the Board of Higher Education, the physical plant needs of public and private institutions of higher education in the State and shall recommend to the Governor and the Legislature a plan to increase, as necessary, the availability and uses of grants made from the trust fund.

L.1993,c.375,s.8.

**18A:72A-57. Issuance of bonds, notes**

9. a. The authority shall from time to time issue bonds or notes in an amount sufficient to finance the grants provided under this act and to finance the administrative costs associated with the approval process and the issuance of the bonds or notes, except that the total outstanding principal amount of the bonds or notes shall not exceed \$220,000,000 and the term of any bond issued shall not exceed 15 years. In computing the foregoing limitation as to amount, there shall be excluded all bonds which shall be issued for refunding purposes, provided that the refunding shall be determined by the authority to result in a debt service savings. The authority shall issue the bonds or notes in such manner as it shall determine in accordance with the provisions of P.L.1993, c.375 (C.18A:72A-49 et al.) and the "New Jersey educational facilities authority law," N.J.S.18A:72A-1 et seq., provided that no bonds or notes shall be issued pursuant to this section without the prior written consent of the State Treasurer. Notwithstanding any other provision of law to the contrary, the State Treasurer shall not consent to the issuance of any bonds or notes unless the amount scheduled for the annual debt service payments for each series of bonds or notes, consisting of the payment of interest and principal on the bonds or notes, are, as far as may be practicable, level for each fiscal year that any bonds or notes of the series are outstanding, except for a fiscal year in which the first or last payment on a series is the only payment made for that series during that fiscal year.

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

c. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to the authorization of P.L.1993, c.375 (C.18A:72A-49 et al.) that the State shall not limit or alter the rights or powers hereby vested in the authority to perform and fulfill the terms of any agreement made with the holders of the bonds or notes, or to fix,

establish, charge and collect such rents, fees, rates, payments, or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the authority and to fulfill the terms of any agreement made with the holders of the bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, until the bonds and notes, together with interest thereon, are fully met and discharged or provided for.

L.1993,c.375,s.9; amended 1995,c.146.

**8A:72A-58. Rules, regulations**

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

L.1993,c.375,s.11.