



State Librarian and Thomas Edison State University Tap NJEFA Services for Library Grant Program; MOU with State Treasurer Provides Clarity on EFA Role in Higher Education P3s

The New Jersey Educational Facilities Authority (“NJEFA” or “Authority”) has entered a Memorandum of Understanding (“MOU”) with the New Jersey State Librarian and the President of Thomas Edison State University (“TESU”) to provide assistance in the administration of the Library Construction Bond Act (the “Act”). Approved by New Jersey voter referendum in November 2017, the Act authorizes the issuance of up to \$125 million in general obligation bonds of the State of New Jersey. Proceeds of the bonds will fund grants for construction, renovation and improvement of New Jersey’s public libraries, including technology upgrades and ADA compliance.

NJEFA’s Board approved the MOU at its September 24, 2019 meeting. The MOU establishes a framework for the Authority to provide support services, which may include a review of regulations and development of grant solicitation materials, development of disbursement procedures and requisition processing for grant funds, compliance review, and preparation and coordination of required documentation such as grant agreements and tax certificates.

The State Librarian and President of TESU sought NJEFA’s services based on the Authority’s two decades of experience administering nearly \$3 billion in construction grants through various state-backed and general obligation bond programs for higher education and public libraries. In recent years under a similar MOU, NJEFA has assisted the Office of the Secretary of Higher Education in administration of the State’s higher education capital facilities grant programs, including the Building Our Future Bond Act.

“NJEFA is excited to begin working with TESU and the State Librarian on administering the Library Grant Program. Funds from the Library Grant Program will be used to upgrade and modernize library facilities, including making them more ADA compliant. This program will provide tremendous value to libraries and residents across the state, NJEFA is proud to be a part of this process.”

- Eric D. Brophy, Esq. NJEFA Executive Director

In a separate action at the Authority’s September 24th meeting, NJEFA’s Board approved a Memorandum of Understanding (“P3 MOU”) with the State Treasurer related to the implementation of the New Jersey Public-Private Partnership Program (“P3 Program”) established pursuant to P.L. 2018, c.90 (the “Act”).

Under the Act, state and county colleges may enter into a P3 agreement with a private organization under which a private entity may assume full financial and administrative responsibility for on-campus or off-campus projects. NJEFA’s statutory authority was expanded under the Act to permit financing of private entities that are parties to P3 agreements with New Jersey’s public colleges and universities.

The State Treasurer has requested the Authority’s assistance in fulfilling certain obligations with respect to the State’s P3 Program. The P3 MOU memorializes the agreement between the Treasurer and the Authority to provide such services and clarifies the Authority’s role and responsibilities under the P3 Program.

Specifically, the Authority is authorized to finance a transaction for a P3 project. The Authority may also serve on Treasury’s Project Review Committee at the request of the Office of Public Finance (“OPF”). The Authority may also finance a transaction for a P3 project for which the Authority participated as a member of the Project Review Committee, subject to review and approval by OPF. Lastly, the Authority may provide information and support to any higher education client in the preparation of a client’s P3 application, subject to the Authority’s notification to OPF of such services. In these circumstances, OPF will apprise the Authority as to whether it will participate on the Project Review Committee.

New Jersey’s P3 Program was designed to provide more flexibility for governmental entities, including public colleges and universities, to collaborate with private industry and leverage private capital to invest in public infrastructure. The Authority has begun creation of a center of excellence for P3 financings in New Jersey higher education and looks forward to supporting its college and university clients considering P3 projects for the development of their facilities.

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Contact:

Phone: 609-987-0880

Website: www.nj.gov/njefa

Twitter: @NewJerseyEFA

Jamie.ODonnell@njefa.nj.gov

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