

Enacted P3 Rules Usher in New Era of Opportunity

June 4, 2020

June 4, 2020, Princeton, New Jersey – New rules published by the New Jersey Department of the Treasury (Treasury) governing Public-Private Partnerships (P3) for infrastructure development went into effect on April 20, 2020. These rules establish the process for determining how public entities are able to facilitate P3s and establish a framework for review and approval of such transactions through Treasury.

The new P3 rules are a result of legislation signed by Governor Phil Murphy in August of 2018 that allowed the expansion of P3 financing structures in the state, including at public colleges and universities. During the public comment period, Treasury received feedback from 19 different stakeholders and published written responses to over 160 individual comments. The published rules can be found here: [Enacted P3 Rules](#).

“There are a number of colleges and universities in New Jersey that have been looking forward to the publication of the P3 rules. With the release of these regulations, they can now begin to assess the feasibility of moving forward with projects in their pipeline,” said Eric Brophy, executive director of the New Jersey Educational Facilities Authority. “We at the NJEFA are excited that these new rules will allow the Authority to help facilitate those projects for its clients. The NJEFA has a long history of working closely with New Jersey’s institutions of higher education on important building projects, and these new rules provide us even more opportunities to work with them in the future.”

The rules clarify the role that the NJEFA and other state entities can play in the P3 process. For NJEFA, that means directly financing a private entity in a P3 transaction, or, subject to the approval of the Office of Public Finance (OPF), serving in a project evaluation and recommendation role as a member of a Treasury review committee convened by the OPF.

“On behalf of the NJEFA Board, we are very pleased at the expansion of the Authority’s services to include P3 financings,” said Josh Hodes, NJEFA Board chair. “In these challenging times, giving institutions more tools and options to invest in their campus infrastructure is paramount.”

In order to assist colleges and universities navigating the P3 process, the Authority will continue to provide information, resources, and tools for interested higher education institutions. A portal to access current information and new developments in P3’s can be found on the NJEFA website at www.nj.gov/njefa/info/public-private-partnership/

As an independent and self-supporting state entity, NJEFA is New Jersey’s primary issuer of municipal bonds to finance the development of campus facilities at public and private colleges and universities. NJEFA finances a wide array of projects including construction, renovation, and acquisition of academic and research facilities; libraries; technology infrastructures; student housing; student life and athletic facilities; parking structures; and refinancing of existing debt. NJEFA’s 53 years of experience in the financial markets with institutions of every type, size and credit, has led it to complete more than 517 transactions with a total par value over \$18 billion.

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