

Higher Education Technology Infrastructure Act Statute

18A:72A-59 Short title.

1. This act shall be known and may be cited as the "Higher Education Technology Infrastructure Fund Act."

L.1997,c.238,s.1.

18A:72A-60 Findings, declarations relative to higher education technology infrastructure.

2. The Legislature finds and declares that:

a. New Jersey's public and independent colleges and universities contribute substantially to the local, State, and national economies by developing the workforce, advancing knowledge through research and scholarship, and serving as a repository for information.

b. An integrated technology infrastructure is increasingly critical to teaching, research, workforce training, and the effectiveness and efficiency of New Jersey's higher education system.

c. Up-to-date telecommunications and information technology, including connectivity within and among institutions and with libraries and elementary and secondary schools, will enable students and faculty to access information and educational opportunities efficiently and effectively and will increase opportunities for institutions to collaborate and share resources.

d. Consortial arrangements and distance learning offer significant potential to reduce costs and increase access, but these new modes of delivery cannot succeed without a technology infrastructure which insures compatibility and connectivity.

e. Colleges and universities must address substantial, yet varying, technological needs in order to participate fully in a comprehensive, current telecommunications network. To strengthen New Jersey's competitiveness and enhance the State's higher education system in a global and highly technological economy, it is essential to establish a dedicated source of funding to support investment by New Jersey's public and independent higher education institutions in technology infrastructure.

L.1997,c.238,s.2.

18A:72A-61 "Higher Education Technology Infrastructure 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 Technology Infrastructure Fund," hereinafter referred to as the "technology fund." The technology fund shall be maintained as a separate account and administered by the authority to carry out the provisions of this act. The technology fund shall consist of:

a. moneys received from the issuance of bonds or notes pursuant to section 7 of P.L.1997, c.238

(C.18A:72A-65);

- b. all moneys appropriated by the State for the purposes of the fund; and
- c. all interest and investment earnings received on moneys in the technology fund.

L.1997,c.238,s.3.

18A:72A-62 Use of technology fund.

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

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

L.1997,c.238,s.4.

18A:72A-63 Grant conditions, allocations.

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

- a. a minimum of \$12,600,000 for the acquisition of 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 \$12,600,000 for the acquisition of higher education technology infrastructure at the county colleges;
- f. a minimum of \$4,950,000 for the acquisition of higher education technology infrastructure at private institutions of higher education;
- g. a maximum of \$5,000,000 for interconnectivity among the higher education institutions. Expenditures shall be based on an inter-institutional needs assessment. If, as a result

of the needs assessment, less than \$5,000,000 is expended from the funds allocated in this subsection, the remaining funds shall be allocated among the institutions designated in subsections a. through f. of this section based on the percentage of the total funds allocated in each of the subsections a. through f.; 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.

The Commission on Higher Education may reallocate any balance in the amount authorized in subsections a. through g. of this section, which has not been approved by the commission for a grant within 18 months of the effective date of P.L.1997, c.238 (C.18A:72A-59 et seq.).

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

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

L.1997,c.238,s.5.

18A:72A-64 Application for grant, conditions.

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

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

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

L.1997,c.238,s.6.

18A:72A-65 Issuance of bonds, notes.

7. 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 and notes for the purchase of higher education technology infrastructure for public and private institutions of higher education, provided that the

total outstanding principal amount of the bonds and notes shall not exceed \$55,000,000 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 or notes 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 State Treasurer is hereby authorized to enter into a contract with the authority pursuant to which the State Treasurer, subject to available appropriation, shall pay the amount necessary to pay the principal and interest on bonds and notes of the authority issued pursuant to this section.

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 or note 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 P.L.1997, c.238 (C.18A:72A-59 et seq.) 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.1997,c.238,s.7.

18A:72A-66 Agreements between authority and institutions of higher education.

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

L.1997,c.238,s.8.

18A:72A-67 Approval for entry into agreements.

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

L.1997,c.238,s.9.

18A:72A-68 Financing of matching amounts.

10. a. To finance the matching amounts for institutions of higher education which have received grants from the technology fund, the authority may from time to time issue bonds or notes in an amount sufficient to finance the purchase of higher education technology infrastructure pursuant to agreements with public and private institutions of higher education and to finance the administrative costs associated with the issuance of bonds or notes. The authority shall issue the bonds or notes in such manner as it shall determine in accordance with the provisions of P.L.1997, c.238 (C.18A:72A-59 et seq.) and the "New Jersey educational facilities authority law," N.J.S.18A:72A-1 et seq. The bonds or notes issued pursuant to this section shall be repaid by the institutions of higher education from any available funds, except grant funds provided to the institution of higher education pursuant to this act.

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

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

L.1997,c.238,s.10.

18A:72A-69 Criteria for approval, specific information in grant application.

11. In order to ensure the most effective utilization of the moneys in the technology fund and to guide governing boards which elect to apply for a grant, the Commission on Higher Education shall establish criteria for approval and shall specify the information to be included in a grant application.

L.1997,c.238,s.11.

18A:72A-70 Rules, regulations.

12. The Commission on 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.1997,c.238,s.12.

18A:72A-71 Report to Governor, Legislature.

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

L.1997,c.238,s.13.