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Office of the Governor
NEWS RELEASE

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Governor Unveils \$550 Million Plan for Higher Education Capital Improvement

Gov. Christie Whitman today signed legislation that establishes a \$550 million grant program to fund the improvement of facilities and technology infrastructure at New Jersey institutions of higher education.

"In my budget address to the Legislature this past January," said Gov. Whitman. "I outlined a five-point plan for keeping college affordable. The plan called for more aid to our county colleges, more for our senior public and research institutions, and more for our independent colleges and universities. Our plan also expanded our commitment to student financial assistance and scholarships. And it responded to what college presidents, public and independent, told me was their number one priority: taking care of long-deferred capital needs."

"The budget I signed in June took care of four points in our plan. Today, we make good on the final point - that number one priority," the Governor continued. "Today I am here to sign into law a \$550 million bond program for deferred maintenance and other capital projects on our four-year campuses."

"Good, affordable, and inviting colleges and universities today will mean good jobs and careers tomorrow," the Governor said. "Indeed insuring sturdy foundations in the literal sense enables higher education to continue providing the firm footing for a sound New Jersey economy well into the next century."

A-3078, sponsored by Assemblymen David Wolfe (R- Monmouth/Ocean) and Joseph Malone (R-Burlington/Monmouth/Ocean) and Senators Robert Martin (R-Essex/Morris/Passaic) and Bernard Kenny (D-Hudson), establishes the "Higher Education Capital Improvement Fund". The fund addresses maintenance needs at New Jersey's four-year public and private institutions of higher learning. The \$550 million fund will be used to provide grants for the cost or a portion of the cost that schools will incur to renovate, improve, expand, construct or reconstruct facilities and technology infrastructure.

The Educational Facilities Authority will issue bonds, notes or other obligations for up to \$550 million for a maximum term of 30 years. Four-year public institutions receiving grants will be required to pay the Authority a matching amount equal to one-third the principal and interest on the bonds issued to finance projects at that institution. Four-year private institutions will need to pay a matching amount equal to one-half the amount of principal and interest.

In order to receive a grant, institutions must apply by submitting an application to the Commission on Higher Education along with a description of the project and other sources of revenue that will be used. Grant amounts established by the Commission will be forwarded to the Authority and the Legislature. If

a project is not turned down within 45 days it is to be considered approved. Institutions receiving grants must enter into a contract to begin the project within one year after the funds are made available.