TESU THOMAS EDISON STATE UNIVERSITY

Office of the President
609-984-1105
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TO: Joint Budget Oversight Committee

FROM: Merodie A. Hancock, PhD, President, Thomas Edison State University

DATE: January 27, 2025

SUBJECT: **New Jersey Library Construction Bond Act, P.L. 2017, c. 149 – Recommendation and Request for Approval of Reallocation of Certain Grant Funds**

The New Jersey Library Construction Bond Act (P.L. 2017, c. 149) (the "Bond Act") was approved by New Jersey voters on November 7, 2017 and authorized the issuance of $125,000,000 in general obligation bonds for the purpose of the construction, reconstruction, development, extension, improvement and furnishing of New Jersey's public libraries. On October 10, 2019, the State Librarian, with the approval of the President of Thomas Edison State University (the "President"), adopted regulations necessary to implement the provisions of the Bond Act. The regulations are set forth in N.J.A.C. 15:24 -1.1 through - 6.1 (the "Regulations"). There have been two solicitations for grant applications related to the Bond Act funds—one in Winter 2020 and one in Spring 2021. The first round of funding of the Bond Act approved projects totaling $86,484,040. The second round of funding of the Bond Act approved projects totaling $37,174,636.71.

Under the Bond Act, "[a]ll appropriations from the "New Jersey Library Construction Fund" shall be by specific allocation for each project, and any transfer of any funds so appropriated shall require the approval of the Joint Budget Oversight Committee, or its successor." Additionally, the Regulations specify, at N.J.A.C. 15:24-6.1 (j):

> "The President, with the approval of the Joint Budget Oversight [Committee], may, in a manner consistent with the allocations provided in the Bond Act, allocate any balance in an approved grant to another eligible library; a new solicitation for grant applications; an amended application; or toward a library's larger project, if the approved project was only for a portion of a larger library construction project.
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> 1. If an applicant determines not to undertake a proposed project for which a grant was awarded;
> 2. To adjust for actual project expenses in a manner consistent with the approved grant; or
> 3. If an applicant fails to comply with the provisions of the grant."

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I am writing today to request reallocation of a total of $5,118,900.00 in funds previously appropriated by the New Jersey State Legislature from the New Jersey Library Construction Fund to fund projects, $4,997,267.86 of which was appropriated during the first round of funding on November 20, 2020, pursuant to P.L. 2020, c. 127, and $121,632.14 of which was appropriated during the second round of funding on January 12, 2022, pursuant to P.L. 2021, c. 370, for the purpose of funding three projects that were included as Round 2 alternate projects, as approved by P.L. 2021, c. 370. The Round 2 appropriation included five alternate projects to be funded in the event that any large Round 2 projects were unable to proceed; two of these projects were funded with the approval of this Committee on December 30, 2022.

As shown below, six Round 1 projects were underspent by a total of $651,873.38; two Round 1 projects were approved for substantial change, reducing the grant awards by a total of $7,918,872.00. In addition, two Round 2 projects were underspent by a total of $121,632.14. The total amount available for reallocation is $8,692,377.52.

Grantee	Grant Award	Funds Available	Reason
Round 1			
Atlantic City Public Library	$379,960.00	$92,542.00	Underspent
Avon Public Library	$175,000.00	$31,077.18	Underspent
Garfield Public Library	$130,404.00	$48,456.45	Underspent
Hunterdon County Library	$980,837.00	$78,105.71	Underspent
Ringwood Public Library	$292,750.00	$2,476.98	Underspent
Somerset County Library - Montgomery Branch	$5,375,000.00	$399,215.06	Underspent
Subtotal Underspent		$651,873.38	
Sussex County library System	$3,080,875.00	$1,508,060.00	Reduced grant award due to reduced square footage
West New York Public Library	$12,500,000.00	$6,410,812.00	Reduced grant award due to rehab instead of new construction, change in square footage
Subtotal Substantial Changes		$7,918,872.00	
Total Round 1 Funds Available		$8,570,745.38	
Round 2			
Plainfield Public Library		$101,903.50	Underspent
South River Public Library		$19,728.64	Underspent

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Total Round 2 Funds Available	$121,632.14
Total Stranded Funds, Rounds 1 and 2	$8,692,377.52

I propose approval of $5,118,900.00 in available funds, as outlined above, to be allocated to the remaining Round 2 alternate projects listed below. This will result in full funding all of the legislatively approved grant awards from Round 2.

Round 2 Alternate Projects	**Request**
Library of the Chathams	$2,450,000.00
Metuchen Public Library	$1,622,900.00
Rahway Public Library	$1,046,000.00
Total Remaining Round 2 Alternates	$5,118,900.00
Funds Available after Reallocation	$3,573,477.52

This action will leave $3,573,477.52 appropriated during the first round of funding on November 20, 2020, pursuant to P.L. 2020, c. 127, to be reallocated at a later date.

Please advise if I can provide any additional information for your consideration.