



Governor Christie Signs Legislation to Encourage Public-Private Partnerships for Higher Education Institutions

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Trenton, NJ - Governor Chris Christie today signed legislation to ease restrictions on public-private partnerships between higher education institutions and private entities, encouraging flexibility in planning and growth at state and county colleges, and creating jobs.

The bill, S-920 makes amendments to "New Jersey Economic Stimulus Act of 2009." Immediately, the law will enable Montclair State University to proceed with the construction of a 2,000-unit housing and dining complex on the MSU campus, a \$180 million, shovel-ready project that will put an estimated 1,350 New Jersey construction workers to work.

In the long term, the legislation will remove restrictions preventing New Jersey's state and county colleges from entering into public-private construction partnerships, clarify that these projects are exempt from property taxation, provided that they are owned by a public or non-profit entity and are used to further the educational mission of the institution, and allow a public entity to become the owner or lessee of the project for financing arrangement purposes. The legislation may spur further private construction partnership projects at other institutions, including Kean University, Stockton College, The College of New Jersey, Ramapo College, and NJ City University.

"New Jersey's higher education institutions must be given the necessary tools to plan their growth through creative and responsible arrangements that do not leave the funding burden solely on institution budgets," said Governor Christie. "Public-private partnerships are a key mechanism to provide that flexibility and accommodate growth in our state and county colleges, while creating jobs and spurring economic growth. The legislation signed today provides needed tools that will be critical to maintaining our colleges' status as world-class learning centers. We will see the immediate gains provided by this legislation here at Montclair State University with the construction of a new housing complex, creating much needed jobs for 1,350 construction workers."

Prior to the signing of S-920, state and county colleges were only authorized to enter into agreements with private entities that permitted the private entity to assume full financial and administrative responsibility for the on-campus construction, reconstruction, repair, alteration, improvement, or extension of a building, structure, or facility of the institution, provided that the project is financed entirely by the private entity, and the college maintains full ownership of the land.

Through the enactment of S-920, state and county colleges will be permitted to become the owner or lessee of public-private partnership projects and take a vested interest in their own growth and expansion.

S-920 also includes amendments to:

- Simplify and streamline management of certain tax credit transfer programs for Biotech firms;
- Make technical modifications and clarify the scope of infrastructure projects that may be undertaken pursuant to an Economic Redevelopment and Growth Grant (ERGG), and expand the scope of projects that may be taken by a municipal redeveloper pursuant to an ERGG grant;
- Expand the definition of "Qualifying Economic Redevelopment and Growth Grant Incentive Area" to include any areas designated as Pinelands Regional Growth Areas; and
- Change requirements for municipal approval of a state ERGG application.

The legislation's primary sponsors were: Senate President Sweeney, Senator Lesniak, Assemblyman Amodio, Assemblyman Coutinho, and Assemblyman Polistina.

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Press Contact:
Michael Drewniak
609-777-2600

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