ASSEMBLY, No. 5470

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED MAY 18, 2023

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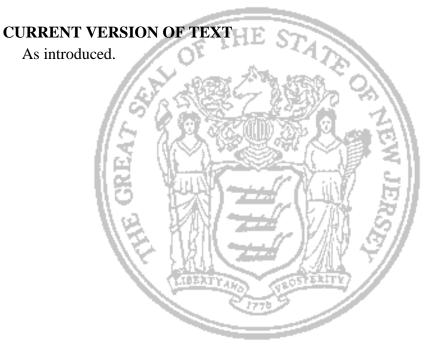
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District 29 (Essex)
Assemblywoman MILA M. JASEY
District 27 (Essex and Morris)

Co-Sponsored by:

Assemblyman Giblin, Assemblywomen Reynolds-Jackson, Carter and Assemblyman Umba

SYNOPSIS

Provides for merger of Bloomfield College with Montclair State University; expands powers and property of Montclair State University; and expands State college risk management group.



(Sponsorship Updated As Of: 6/5/2023)

AN ACT concerning public institutions of higher education and the merger of Bloomfield College and Montclair State University, and amending and supplementing various parts of the statutory law.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

- 1. (New section) The Legislature finds and declares that:
- a. Bloomfield College is an independent institution of higher education located in Bloomfield, New Jersey, originally established by an act of the Legislature in 1871 as the "German Theological School of Newark, New Jersey," and which was later renamed through an act of the Legislature first as the "Bloomfield Theological Seminary" in 1913 and again in 1931 as "Bloomfield College and Seminary."
 - b. Bloomfield College is one of the most diverse liberal arts colleges in the nation, with nearly 1,300 undergraduate students and it is the State's only four-year institution of higher education with the federal designations of being a Minority Serving Institution (MSI), a Hispanic-Serving Institution (HSI), and a Predominantly Black Institution (PBI).
 - c. Bloomfield College is unable to continue operations as an independent college due to significant financial challenges, which have been further exacerbated by declining enrollment.
 - d. Due to Bloomfield College's status as the State's only MSI, HSI and PBI, it is of great public importance to New Jersey's system of higher education that Bloomfield College continue operations.
 - e. Montclair State University is a public institution of higher education with its main campus located in Montclair, Little Falls, and Clifton, New Jersey, and which has been designated by an act of the Legislature as a public research university in the State.
 - f. Montclair State University is comprised of 10 colleges and schools that serve over 21,000 undergraduate and graduate students in more than 300 doctoral, master's, and baccalaureate level programs.
 - g. Montclair State University has been granted broad powers as a public research university to undertake activities that are necessary or desirable for university purposes, including the ability to acquire property, enter into contracts, form entities, and make decisions regarding the development of the university.
- h. Recognizing the public importance of Bloomfield College, and determining that it is both necessary and desirable for university purposes, Montclair State University has entered into an agreement with Bloomfield College for it to become a part of Montclair State University.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

i. The preservation of Bloomfield College's mission through an alignment with Montclair State University is within the public interest and has an important public purpose as it will preserve Bloomfield College's mission.

- 2. (New section) a. The governing board of a public institution of higher education may permit the use of any part of a building or facility of the institutions, or of its subsidiaries or affiliates, in whole or in part, by one or more other public institution of higher education in a manner that the education of students in the various institutions of higher education may be conducted cooperatively and made more widely and efficiently available to the people of the State.
- b. The care, custody, and control of any building used jointly by two or more public institutions of higher education pursuant to subsection a. of this section shall remain vested in the governing board which permits the use of the building or facility.
- c. The care, custody, and control of a building of a public institution of higher education used wholly by a second public institution of higher education shall be exercised by the second institution of higher education, subject to the visitorial power of the first institution.

- 3. Section 1 of P.L.1871, c.18 is amended to read as follows:
- 1. **[**Be it enacted by the Senate and General Assembly of the State of New Jersey, That Jonathan F. Stearns, Joseph Few Smith, Charles A. Smith, George C. Seibert, Charles E. Knox, Thomas N. McCarter, F. Wolcott Jackson, William F. Van Wagenen and Philip Doremus and their successors, are hereby constituted a body corporate and politic, in fact and in name, by the name of "The German Theological School of Newark, New Jersey," and by that name shall have succession and be capable in law of taking and holding, by gift, grant, devise or otherwise, and of holding and conveying, both in law and in equity, and real or personal estate, and may have a common seal and change the same at pleasure. **1** "The German Theological School of Newark, New Jersey," a body politic and corporate in fact and in law, established pursuant to P.L.1871, c.18, that name having been further changed to "Bloomfield Theological Seminary," pursuant to P.L. 1913, c. 265, and the name having been further changed to the "Bloomfield College and Seminary," pursuant to P.L.1931, c.260,

4. Section 2 of P.L.1871, c.18 is amended to read as follows:

shall hereby be known as "Bloomfield College."

(cf: P.L.1871, c.18, s.1)

2. [And be it enacted, That the] The government of the [said] corporation shall be vested in a board of [directors] trustees, which shall consist of [nine members, five of whom shall be clergymen, and four laymen; the corporators above named shall be the first board

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1 of directors of said corporation, and shall be divided into three 2 classes, to be numbered one, two, and three; the term of the first shall 3 expire in one, the second in two and the third in three years from the 4 first day of May last; Joseph Few Smith, Charles E. Knox and 5 Thomas N. McCarter, shall compose the first class; Charles A. Smith, 6 William F. Van Wagenen and Philip Doremus, shall compose the 7 second class, and Jonathan F. Stearns, George C. Seibert and F. 8 Wolcott Jackson, shall compose the third class; each class of 9 directors shall hereafter be chosen for and hold their office during 10 three years, and until a new election to supply the place of such class not more than 39 persons of legal age all of whom shall be elected by 11 12 the board of trustees and one-third of whom are to be elected each 13 year. The organization of the initial board of trustees shall be set forth 14 in the corporation's bylaws. The trustees shall be appointed or elected 15 in accordance with the corporation's bylaws as adopted and amended 16 from time to time by the corporation's board of trustees, which shall 17 include provisions for the qualifications for trustees, terms, possible 18 division into classes, and provisions for removal of trustees from 19 office. The trustees and their successors shall manage and care for 20 the estate of both real and personal property of the corporation, and 21 shall have the power to sell, encumber as security for loans, or 22 otherwise dispose of the property in their discretion for the purpose 23 of advancing the objectives of the school, and shall also have power 24 to adopt a constitution and all necessary bylaws and ordinances for 25 the management and government of the school, provided they are not 26 in conflict with the laws of this State. 27

(cf: P.L.1871, c.18, s.2)

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5. Section 3 of P.L.1871, c.18 is amended to read as follows:

[And be it enacted, That the Presbytery of Newark may annually hereafter elect at its stated spring meeting, three directors of said corporation to supply the place of the class which shall expire in that year, and shall also have power to fill any vacancy that may have happened by death, resignation or otherwise, in any other class, such election to be held in such manner as the said Presbytery of Newark shall direct; and any such election shall be subject to review by the next General Assembly of the Presbyterian Church in the United States of America; and in case the said general assembly shall disapprove of such election, the offices of the director or directors disapproved of, shall thereupon become vacant; the board of directors shall also have power to fill all vacancies in their own board which may happen from year to year, and such appointment shall be valid until the first day of May then next following, or until the election of a successor by the Presbytery as aforesaid.

a. Whenever deemed by the board of trustees to be in the best interest of the corporation, it shall be lawful for the board of trustees to approve the sale or other disposition of the corporation, or of all or substantially all of the assets of the corporation, in accordance with

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1 State law. Upon dissolution of the corporation or the winding up of 2 its affairs, the assets of the corporation shall be distributed as set forth 3 in the corporation's bylaws, provided that the distribution shall be for 4 one or more exempt purposes within the meaning of paragraph (3) of 5 subsection (c) of section 501 of the federal Internal Revenue Code of 6 1986, 26 U.S.C. s.501(c)(3), consistent with the educational purposes 7 of the corporation, or shall be distributed to the federal government, 8 or to a state or local government, for a public purpose.

b. Nothing contained within sections 1 through 5 of P.L.1871, c.18 shall be construed to impair, annul, or affect any vested rights, grants, charter rights, privileges, exemptions, immunities, powers, prerogatives, franchises, or advantages heretofore obtained or enjoyed by the corporation or any constituent unit thereof, under authority of its charter or any act of this State or under any grant, deed, conveyance, transfer, lease, estate, remainder, expectancy, trust, gift, donation, legacy, devise, endowment, or fund, all of which are hereby ratified and confirmed, and all of which shall survive and shall continue to vest in the corporation and in any nonprofit entity that merges or consolidates with the corporation, along with the assumption of all of the liabilities that have not been satisfied by the corporation prior to the merger or consolidation, or any nonprofit entity that obtains substantially all of the assets of the corporation or, in the event of a merger or consolidation, substantially all of the assets of the successor of the corporation, upon the dissolution or the winding up of the affairs of the corporation or its successor.

(cf: P.L.1871, c.18, s.3)

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6. Section 4 of P.L.1871, c.18 is amended to read as follows:

4. [And be it enacted, That the said directors and their successors shall have the management and care of the estate, both real and personal of said corporation, and shall have power to sell or otherwise dispose of the same in their discretion, for the purpose of advancing the objects of said school, and shall also have power to adopt a constitution and all necessary by-laws and ordinances for the management and government of said school; provided, the same be not in conflict with the laws and constitution of this State or of the United States Without limiting or impinging upon the powers currently vested in the corporation pursuant to sections 1 through 5 of P.L.1871, c.18, the corporation may merge or consolidate with one or more other nonprofit corporations formed under Title 15A of the New Jersey Statutes and operated primarily for educational purposes and exempt under paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501(c)(3), as the board of trustees may determine, but consistent with the public purposes of the corporation.

45 <u>purposes of the corporati</u>46 (cf: P.L.1871, c.18, s.4)

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7. Section 5 of P.L.1871, c.18 is amended to read as follows:

5. **[**And be it enacted, That, whenever from a cessation of German immigration, or from any other cause, it may be deemed inexpedient longer to maintain said institution as a distinctive German theological school, it shall be lawful for the directors, with the approval of the Presbytery of Newark, and of the General Assembly of the Presbyterian Church of the United States, to use the property and funds of said corporation for any other branch of theological and collegiate or collegiate education, or transfer its property and funds to any other theological seminary; and in case of such transfer of all the property of said corporation to another seminary or seminaries, the corporate power hereby granted shall cease, and said corporation shall be thereby dissolved. The corporation may have a member or members, the powers and qualifications for which shall be set forth in the bylaws of the corporation and which shall comply with the provisions of N.J.S.15A:1-1 et seq.

16 (cf: P.L.1951, c.178)

- 8. Section 1 of P.L.2010, c.99 (C.18A:64-86) is amended to read as follows:
 - 1. As used in [this act] P.L.2010, c.99 (C.18A:64-86 set seq.):

"Board of trustees" or "trustees" means the board of trustees established pursuant to the bylaws of the [State] <u>public</u> college risk management group to govern or manage the risk management programs, joint liability funds, and related services of the group.

"Certified audit" means an audit upon which an auditor expresses a professional opinion that the accompanying statements present fairly the financial position of a joint liability fund in conformity with generally accepted accounting principles consistently applied, and includes tests of the accounting records and other auditing procedures as considered necessary in the circumstances.

"Commissioner" means the Commissioner of Banking and Insurance.

"Contributions" means the moneys paid by a member of a **[**State**]** <u>public</u> college risk management group in amounts as may be set by the board of trustees or other officers as provided in the group's bylaws for the purposes of participating in a joint liability fund or funds, or securing risk management programs or related services.

"Joint liability fund" or "fund" means a joint liability fund established by a [State] <u>public</u> college risk management group pursuant to [this act] <u>P.L.2010</u>, c.99 (C.18A:64-86 et seq.). The joint liability fund is a fund of public moneys from contributions made by members of a [State] <u>public</u> college risk management group for the purpose of securing insurance, risk management programs, or related services as authorized by this act.

["State college" means any of the State colleges or universities established pursuant to chapter 64 of Title 18A of the New Jersey Statutes.]

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1 "[State] Public college risk management group" or "group" means 2 an association formed by two or more [State colleges] four-year 3 public institutions of higher education for the development, 4 administration, and provision of risk management programs, joint 5 liability funds for the payment of liabilities incurred by the [State colleges I institutions and not funded by the State of New Jersey 6 7 pursuant to the provisions of the "New Jersey Tort Claims Act," 8 N.J.S.59:1-1 et seq., and related services.

"Risk management program" means a plan, and activities carried out under the plan, by a [State] public college risk management group to reduce risk of loss with respect to liabilities incurred by the [State colleges] four-year public institutions of higher education, including safety engineering and other loss prevention and control A risk management program also includes the administration of one or more joint liability funds, including the processing and defense of claims brought against or on behalf of members of the group.

18 (cf: P.L.2010, c.99, s.1)

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- 9. Section 2 of P.L.2010, c.99 (C.18A:64-87) is amended to read as follows:
- 2. A [State college] four-year public institution of higher education is authorized to insure, contract or provide for any insurable interest of the [State college] institution in the manner authorized by section 3 of [this act] P.L.2010, c.99 (C.18A:64-86 et seq.), for the following:
- a. Any loss or damage to its property, real or personal, motor vehicles, equipment or apparatus;
- b. Loss or damage from liability as established by the "New Jersey Contractual Liability Act," N.J.S.59:13-1 et seq.;
- c. Loss or damage from liability as established by the workers' compensation law, R.S.34:15-1 et seq.; and
- d. Expenses of defending any claim against the [State college] institution, trustee, officer, employee or servant arising out of and in the course of the performance of their duties, whether or not liability exists on the claim, not eligible for defense and indemnification by the State of New Jersey in accordance with the provisions of the "New Jersey Tort Claims Act," N.J.S.59:1-1 et seq.

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(cf: P.L.2010, c.99, s.2)

- 41 10. Section 3 of P.L.2010, c.99 (C.18A:64-88) is amended to read 42 as follows:
- 43 3. a. Any two or more [State colleges] four-year public 44 <u>institutions of higher education</u> may form and become members of a
- 45 [State] <u>public</u> college risk management group. A [State college]
- four-year public institution of higher education may take this action 46
- 47 by resolution of the governing board of [trustees of] the [State

1 college institution. Through membership in a [State] public college 2 risk management group, a [State college] four-year public institution 3 of higher education may participate in any joint liability funds, risk 4 management programs or related services offered or provided by the 5 group. The group shall have the power to establish funds for coverages authorized in section 2 of [this act] P.L.2010, c.99 6 7 (C.18A:64-86 et seq.) and to jointly purchase insurance or coverages 8 under a master policy or contract of insurance for participating 9 members. The group shall have the power to take other actions 10 necessary to developing, administering, and providing risk 11 management programs, joint liability funds, joint insurance 12 purchases, and related services.

- b. The bylaws of the **[**State**]** <u>public</u> college risk management group shall provide that any **[**State college**]** <u>four-year public institution of higher education</u> may join the group, provided it agrees to comply with the standards for membership, including risk management programs, which shall be established by the group, and may be a member as long as it complies with the standards for membership.
- c. A [State] <u>public</u> college risk management group may sue or be sued for the liabilities and coverages authorized by section 2 of [this act] <u>P.L.2010</u>, c.99 (C.18A:64-86 et seq.) and shall appoint a natural person residing in this State or a corporation authorized to do business in this State as its agent for service of process. The group shall notify the commissioner and the Office of the Attorney General of the appointment.
- d. A [State] <u>public</u> college risk management group shall not be considered or deemed to be an insurance company or an insurer under the laws of this State and the development, administration or provision by a group of joint liability funds, risk management programs, and related services shall not constitute the transaction of insurance or the conducting of an insurance business. A group shall not be subject to the provisions of Title 17, Subtitle 3 of the Revised Statutes.

35 (cf: P.L.2010, c.99, s.3)

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- 37 11. Section 4 of P.L.2010, c.99 (C.18A:64-89) is amended to read as follows:
- 4. a. The bylaws of a [State] <u>public</u> college risk management group shall:
 - (1) set forth a statement of purposes of the group;
- 42 (2) set forth provisions for organization of the group, including 43 governance by a board of trustees;
- 44 (3) provide for the delivery of risk management programs in 45 conjunction with any joint liability fund which the board of trustees 46 shall establish;

- (4) set forth procedures to enforce the collection of any contributions or payments in default;
 - (5) set forth membership standards as required in section 3 of [this act] P.L.2010, c.99 (C.18A:64-86 et seq.);
 - (6) require that, for each joint liability fund, a contract or contracts of specific and aggregate excess insurance or reinsurance is maintained, if available, unless otherwise recommended by the trustees upon the advice and report of an independent actuary;
 - (7) set forth procedures for:

- (a) withdrawal from the group and a fund by a member;
 - (b) termination of the group or fund and disposition of assets; and
- (c) determining the obligations, if any, of a member in the event that the group is unable to pay indemnification obligations and expenses payable from a fund administered by it;
- (8) require an annual certified audit to be prepared and filed with the commissioner;
- (9) require that any joint liability fund be developed and operated in accordance with accepted and sound actuarial practices;
- (10) provide that any expenditure of moneys in a fund be in furtherance of the purpose of the fund; and
- (11) set forth other provisions as desired for operation and governance of the group.
- b. The bylaws of a **[**State**]** <u>public</u> college risk management group shall provide for governance of the group by a board of trustees selected in accordance with the provisions of the bylaws. The bylaws shall provide for trustee powers and duties and shall include, but not be limited to, the following powers of the board of trustees:
- (1) to determine and establish contributions and rates, loss reserves, surplus, limits of coverage, limits of excess or reinsurance, coverage documents, dividends and other financial and operating policies of the group or fund;
- (2) to invest moneys held in trust under a fund in investments which are approved for investment by regulation of the State Investment Council for surplus moneys of the State;
- (3) to purchase, acquire, hold, lease, sell and convey real and personal property, all of which property shall be exempt from taxation under chapter 4 of Title 54 of the Revised Statutes;
- (4) to collect and disburse all money due to or payable by the group, or authorize such collection and disbursement;
- (5) to enter into contracts with other persons or with public bodies of this State for any professional, administrative or other services as may be necessary to carry out the purposes of the group or any fund;
- (6) to purchase and serve as the master policyholders, if desired, for any insurance, including excess or reinsurance; and
- 45 (7) to do all other things necessary and proper to carry out the purposes for which the group is established.
- 47 (cf: P.L.2010, c.99, s.4)

- 1 12. Section 5 of P.L.2010, c.99 (C.18A:64-90) is amended to read 2 as follows:
- 5. a. The board of trustees of a [State] public college risk management group shall have not less than three or more than 15 trustees. A trustee shall be a natural person 18 years of age or older who is a resident of this State. A majority of the trustees of a group shall be members or employees of member [State colleges] institutions of higher education, provided that a trustee who ceases to be a member or employee of a [State college] four-year public institution of higher education may be allowed to serve for not more than 90 days following cessation without violating this provision.
 - b. A trustee shall not be paid a salary, except that the written trust instrument may provide for reimbursement for actual expenses incurred on behalf of the fund and for compensation not to exceed \$200 for any day or portion of a day spent at a meeting of the trustees. Except as otherwise provided in this act, a trustee shall not enter into any contract with the group or receive any moneys or other compensation or thing of value whatsoever from the group for services performed for or on behalf of the group.

20 (cf: P.L.2010, c.99, s.5)

- 13. Section 6 of P.L.2010, c.99 (C.18A:64-91) is amended to read as follows:
 - 6. a. A [State] <u>public</u> college risk management group, or any joint liability fund of the group, shall not begin functioning as a means of providing coverage or protection for or among its members until the group's bylaws have been filed with and approved by the commissioner. The commissioner may disapprove the bylaws only if the bylaws do not conform with the provisions of [this act] <u>P.L.2010</u>, c.99 (C.18A:64-86 et seq.). The commissioner shall set forth the reasons for disapproval in writing. If the commissioner fails to approve or disapprove the bylaws within 60 days following filing of the bylaws with the commissioner, the bylaws shall be deemed approved. The reasonable costs of the commissioner's review of the bylaws shall be chargeable to the [State] colleges seeking to establish the group.
 - b. A [State] <u>public</u> college risk management group shall file an annual report, on a form to be prescribed by the commissioner, and shall include a financial statement of the group's assets and liabilities, the claims paid during the preceding 12 months, current reserves, incurred losses, and any other information that the commissioner may require.
 - c. The commissioner shall have authority to examine the books, records and affairs of any [State] <u>public</u> college risk management group or any of its liability funds at a time to be fixed by the commissioner. The reasonable costs of any examination or review

- shall be chargeable to the **[**State**]** <u>public</u> college risk management group.
- d. If at any time the commissioner determines that the **[State]**public college risk management group has experienced a deterioration in its financial condition which adversely affects or will adversely affect its ability to pay expected losses, the commissioner may:
 - (1) require an increase in the reserves of the group as required by section 4 of [this act] P.L.2010, c.99 (C.18A:64-86 et seq.); or
- 10 (2) require the purchase of excess insurance or reinsurance. 11 (cf: P.L.2010, c.99, s.6)

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- 13 14. Section 7 of P.L.2010, c.99 (C.18A:64-92) is amended to read 14 as follows:
- 7. Funds for premiums required by the contract between the governing body of the [State college] four-year public institution of higher education and the board of trustees of the [State] public college risk management group shall be appropriated and paid as set forth in the contract in the same manner as appropriations are made for other expenses of the [State college] four-year public institution of higher education.
- 22 (cf: P.L.2010, c.99, s.7)

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- 24 15. Section 8 of P.L.2010, c.99 (C.18A:64-93) is amended to read 25 as follows:
- 26 8. The Commissioner of Banking and Insurance shall promulgate rules and regulations necessary to effectuate the purposes
- of this act pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The rules and regulations shall include,
- but not be limited to, the establishment, operation, modification and
- dissolution of a [State] public college joint liability fund established
- pursuant to the provisions of [this act] P.L.2010, c.99 (C.18A:64-86
- 33 <u>et seq.)</u>.
- 34 (cf: P.L.2010, c.99, s.8)

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- 36 16. Section 9 of P.L.2017, c.178 (C.18A:64N-9) is amended to read as follows:
- 9. The board of trustees of Montclair State University shall have the general supervision over and be vested with the conduct of the university. It shall have the power and duty to:
 - a. Adopt [and], use , and modify, as it deems appropriate, its [a] corporate seal;
- b. Determine the educational curriculum and program of the university , including approving the establishment of new educational programs, departments, or schools, and the discontinuance of existing educational programs, departments, or schools at the university, provided that the action is consistent with

- 1 the university's programmatic mission and that the action is reviewed
- 2 by the New Jersey President's Council pursuant to subsection c. of
- section 8 of P.L.1994, c.48(C.18A:3B-8) or approved by the 3
- 4 Secretary of Higher Education pursuant to subsection f. of section 14 5
 - of P.L.1994, c.48(C.18A:3B-14), as applicable;

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- c. Determine policies for the organization, administration, and development of the university;
- d. Study the educational and financial needs of the university, annually acquaint the Governor and Legislature with the condition of the university, and prepare and submit an annual request for appropriation to the Division of Budget and Accounting in the Department of the Treasury in accordance with law;
- e. Disburse all moneys appropriated to the university by the Legislature and all moneys received from tuition, fees, auxiliary services and other sources:
- Direct and control expenditures and transfers of funds appropriated to the university in accordance with the provisions of the State budget and appropriation acts of the Legislature, and, as to funds received from other sources, direct and control expenditures and transfers in accordance with the terms of any applicable trusts, gifts, bequests, or other special provisions, reporting changes and additions thereto and transfers thereof to the Director of the Division of Budget and Accounting in the Department of the Treasury. All accounts of the university shall be subject to audit by the State at any time;
- In accordance with the provisions of the State budget and g. appropriation acts of the Legislature, appoint and fix the compensation and term of office of a president of the university who shall be the executive officer of the university and an ex officio member of the board of trustees, without vote, and shall serve at the pleasure of the board of trustees;
- h. In accordance with the provisions of the State budget and appropriation acts of the Legislature, appoint, upon nomination of the president, such deans and other members of the academic, administrative, and teaching staffs as shall be required and fix their compensation and terms of employment;
- Consistent with the provisions of its budget, this act and any and all controlling collective bargaining agreements, have the power, upon nomination or recommendation of the president, to appoint, remove, promote and transfer all other officers, agents, or employees which may be required to carry out the provisions of this act and prescribe qualifications for those positions, and assign requisite duties and determine and fix respective compensation for those positions in accordance with duly adopted salary program parameters;
 - Grant diplomas, certificates or degrees; j.
- 47 Enter into contracts and agreements with the State or any of 48 its political subdivisions or with the United States, or with any public 49 body, department or other agency of the State or the United States, 50 including any public institution of higher education in the State or

- their subsidiaries or affiliates, or with any individual, firm or corporation which are deemed necessary or advisable by the board for carrying out the provisions of this act. A contract or agreement pursuant to this subsection may require a municipality to undertake obligations and duties to be performed subsequent to the expiration of the term of office of the elected governing body of such municipality which initially entered into or approved said contract or agreement, and the obligations and duties so incurred by such municipality shall be binding and of full force and effect, notwithstanding that the term of office of the elected governing body of such municipality which initially entered into or approved said contract or agreement, shall have expired;
 - 1. Exercise the right of eminent domain, pursuant to the provisions of the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), to acquire any property or interest therein;

- m. Adopt, after consultation with the president and faculty, bylaws and make and promulgate such rules, regulations, and orders, not inconsistent with the provisions of this act as are necessary and proper for the administration and operation of the university and the carrying out of its purposes;
- n. Establish fees for room and board sufficient for the operation, maintenance, and rental of student housing and food services facilities;
- o. Fix and determine tuition rates and other fees to be paid by students;
- p. Accept from any government or governmental department, agency or other public or private body or from any other source grants or contributions of money or property which the board may use for or in aid of any of its purposes;
- q. Acquire, by gift, purchase, condemnation or otherwise, own, lease, dispose of, use and operate property, whether real, personal or mixed, or any interest therein, which is necessary or desirable for university purposes;
- r. Employ architects to plan buildings; secure bids for the construction of buildings and for the equipment thereof; make contracts for the construction of buildings and for equipment; and supervise the construction of buildings;
- s. Manage and maintain, and provide for the payment of all charges on and expenses in respect of, all properties utilized by the university;
- t. Borrow money and to secure the same by a mortgage on its property or any part thereof, and to enter into any credit agreement for the needs of the university, as deemed requisite by the board, in such amounts and for such time and upon such terms as may be determined by the board, provided that no such borrowing shall be deemed or construed to create or constitute a debt, liability, or a loan or pledge of the credit or be payable out of property or funds, other than moneys appropriated for that purpose, of the State;

u. Authorize any <u>other</u> new program, educational department or school **[**consistent with the programmatic mission of the institution or approved by the Secretary of Higher Education **]**;

v. Adopt standing operating rules and procedures for the purchase of all equipment, materials, supplies and services; however, no contract on behalf of the university shall be entered into for the purchase of services, materials, equipment and supplies, for the performance of any work, or for the hiring of equipment or vehicles, where the sum to be expended exceeds \$33,000 or the amount determined by the Governor as provided herein, unless the university shall first publicly advertise for bids and shall award the contract to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the university, price and other factors considered. Such advertising shall not be required in those exceptions created by the board of trustees of the university, which shall be in substance those exceptions contained in sections 4 and 5 of P.L.1954, c.48 (C.52:34-9 and 10) and section 5 of P.L.1986, c.43 (C.18A:64-56) or for the supplying of any product or the rendering of any service by a public utility subject to the jurisdiction of the Board of Public Utilities of this State and tariffs and schedules of the charges made, charged, or exacted by the public utility for any such products to be supplied or services to be rendered are filed with the

Commencing July 1, 2017 and every two years thereafter, the Governor, in consultation with the Department of the Treasury, shall adjust the threshold amount set forth in this paragraph in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and the Philadelphia areas as reported by the United States Department of Labor. The Governor shall notify the university of the adjustment. The adjustment shall become effective on July 1 of the year in which it is reported.

This subsection shall not prevent the university from having any work performed by its own employees, nor shall it apply to repairs, or to the furnishing of materials, supplies or labor, or the hiring of equipment or vehicles, when the safety or protection of its or other public property or the public convenience requires or the exigency of the university's service will not admit of such advertisement. In such case, the university shall, by resolution passed by the affirmative vote of its board of trustees, declare the exigency or emergency to exist, and set forth in the resolution the nature and approximate amount to be expended; shall maintain appropriate records as to the reason for such awards; and shall report regularly to its board of trustees on all such purchases, the amounts and the reasons therefor;

w. Invest certain moneys in such obligations, securities and other investments as the board shall deem prudent, consistent with the purposes and provisions of this act and in accordance with State and federal law, as follows:

Investment in **[**not-for-profit**]** <u>nonprofit</u> corporations or for-profit corporations organized and operated pursuant to the provisions of subsection x. of this section may utilize income realized from the sale

or licensing of intellectual property as well as the reinvestment of
earnings on intellectual property. Investment in [not-for-profit]
nonprofit corporations may also utilize income from overhead grant
fund recovery as permitted by federal law as well as other university
funds except those specified in paragraph 5 of subsection x. of this
section:

- x. (1) Participate as the general partner or as a limited partner, either directly or through a subsidiary corporation created by the university, in limited partnerships, general partnerships, or joint ventures to support any purpose related to the university including, but not limited to, those engaged in the development, manufacture, or marketing of products, technology, scientific information or services and create or form for-profit or [not-for-profit] nonprofit corporations to engage in such activities; provided that any such participation shall be consistent with the mission of the university and the board shall have determined that such participation is prudent;
 - (2) The decision to participate in any activity described in paragraph (1) of this subsection, including the creation or formation of for-profit or [not-for-profit] nonprofit corporations, shall be articulated in the minutes of the board of trustees meeting in which the action was approved;
 - (3) The provisions of P.L.1971, c.182 (C.52:13D-12 et seq.) shall continue to apply to the university, its employees, and officers;
 - (4) Nothing herein shall be deemed or construed to create or constitute a debt, liability, or a loan or pledge of the credit or be payable out of property or funds of the State;
 - (5) Funds directly appropriated to the university from the State or derived from the university's academic programs shall not be utilized by the for-profit or **[**not-for-profit**]** nonprofit corporations organized and operated pursuant to this subsection in the development, manufacture, or marketing of products, technology or scientific information;
 - (6) Employees of any joint venture, subsidiary corporation, partnership, or other jural entity <u>formed</u>, entered into, or owned wholly or in part by the university shall not be deemed public employees, however, any public employees of the university who may be assigned to support any joint venture, subsidiary corporation, partnership, or other jural entity formed, entered into, or owned wholly or in part by the university shall continue to be deemed public employees;
- (7) A joint venture, subsidiary corporation, partnership, or other jural entity entered into or owned wholly or in part by the university shall not be deemed an instrumentality of the State of New Jersey;
- (8) Income realized by the university [as a result of participation in the development, manufacture, or marketing of products, technology, or scientific information] pursuant to this subsection may be invested [or], reinvested [pursuant to subsection w. of this section or any other provision], or retained by the board in

accordance with the provisions of this act or State or federal law [or retained by the board] for use in furtherance of any of the purposes of this act or of other applicable statutes;

- (9) The board shall annually report to the State Treasurer on the operation of all joint ventures, subsidiary corporations, partnerships, or such other jural entities entered into or owned wholly or in part by the university; <u>and</u>
- (10) This subsection shall apply if a joint venture, subsidiary corporation, partnership, or other jural entity entered into or owned wholly or in part by the university, is expressly formed, created, or owned by the university pursuant to the authority set forth in this subsection. Further, this subsection shall in no way be construed to prohibit or limit the university from separately pursuing any other activities permitted by the authority granted under this act, or separately utilizing any other powers expressly authorized by this act for any activity consistent with the university's institutional mission, including to participate as the general partner or as a limited partner, either directly or through a subsidiary corporation created by the university, in limited partnerships, general partnerships, or joint ventures, otherwise than pursuant to this subsection;
 - y. Sue and be sued in its own name;
- z. Retain independent counsel including representation by the Attorney General in accordance with subsection h. of section 6 of P.L.1994, c.48 (C.18A:3B-6) and, notwithstanding any other provision of law to the contrary, if the university elects not to be represented by the Attorney General in any matter in which the university is solely responsible for any potential liability, it shall be permitted to do so upon notice to the Attorney General;
- aa. (1) Procure and enter into contracts for any type of insurance and indemnify <u>and defend</u> against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any person, against employees' liability, against any act of any member, officer, employee or servant of the university, whether part-time, full-time, compensated or non-compensated in the performance of the duties of his office or employment or any other insurable risk. In addition, the university shall carry its own liability insurance or maintain an actuarially sound program of self insurance. Any joint venture, subsidiary corporation, or partnership or such other jural entity entered into or owned wholly or in part by the university shall carry insurance or maintain reserves in such amounts as are determined by an actuary to be sufficient to meet its actual or accrued claims;
- (2) Moneys in the fund known as the Self-Insurance Trust Fund administered by the State Treasurer shall continue to be available to the university solely to indemnify and defend claims against the university and its employees, officers and servants but only to the extent that the university has elected on behalf of itself and its employees to obtain representation from the Attorney General pursuant to subsection h. of section 6 of P.L.1994, c.48 (C.18A:3B-6) and such entity or individuals would have been entitled to defense

- and indemnification pursuant to the "New Jersey Tort Claims Act,"
- 2 N.J.S.59:1-1 et seq., as a State entity or State employee but for the
- 3 provision of subsection z. of this section. Any expenditure of such
- 4 funds shall be made only in accordance with the provisions of the
- 5 "New Jersey Tort Claims Act," N.J.S.59:1-1 et seq., including but not
- 6 limited to the provisions of chapters 10, 10A and 11 of Title 59 of
- 7 the New Jersey Statutes. Nothing herein shall be construed to
- 8 authorize the use of the Self-Insurance Trust Fund to indemnify or
- 9 insure in any way, directly or indirectly the activities of any joint
- 10 venture, partnership or corporation entered into or created by the
- 11 university pursuant to subsection x. of this section;
 - bb. Create auxiliary organizations subject to the provisions of P.L.1982, c.16 (C.18A:64-26 et seq.);
- 14 cc. Adopt a code of ethics that complies with the requirements of
- all statutes applicable to the institution, including, but not limited, to the "Higher Education Restructuring Act of 1994," P.L.1994, c.48
- 17 (C.18A:3B-1 et al.), the "New Jersey Conflicts of Interest Law,"
- 17 (C.16A.3b-1 et al.), the New Jersey Connects of Interest Law,
- P.L.1971, c.182 (C.52:13D-12 et seq.), regulations of the State Ethics
- 19 Commission, and any applicable executive orders; [and]
- dd. Establish a procedure for the confidential, anonymous submission of employee concerns regarding alleged wrongdoing at
- 22 the university;

- 23 <u>ee. Merge or consolidate, including through subsidiary</u>
- 24 <u>corporations created by the university, with one or more other</u>
- 25 <u>nonprofit corporations formed and operated primarily for educational</u>
- 26 purposes and exempt under paragraph (3) of subsection (c) of section
- 27 <u>501</u> of the federal Internal Revenue Code of 1986, 26 U.S.C.
- $\underline{s.501(c)(3)}$, as the board of trustees may determine, but consistent
- 29 with the public purposes of the corporation, and shall assume any
- 30 <u>vested rights, grants, charter rights, privileges, exemptions,</u>
- 31 <u>immunities, powers, prerogatives, franchises or advantages, debts, or</u>
- 32 <u>liabilities of the nonprofit corporation; and</u>
- 33 ff. Have final authority to determine controversies and disputes
- 34 <u>concerning tenure and personnel matters of employees not classified</u>
- 35 <u>under Title 11A of the New Jersey Statutes</u>. Any matter arising under
- 36 this subsection may be assigned to an administrative law judge, an
- 37 <u>independent hearing officer or a subcommittee of the board of</u>
- trustees for hearing and initial decision by the board, except for tenure hearings pursuant to N.J.S.18A:6-18. Any hearings conducted
- 40 pursuant to this subsection shall conform to the requirements of the
- 41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
- 42 <u>seq.</u>). The final administrative decision of the board of trustees is
- 43 appealable to the Superior Court, Appellate Division.
- 44 (cf: P.L.2017, c.178, s.9)
- 45
- 46 17. Section 11 of P.L.2017, c.178 (C.18A:64N-11) is amended to read as follows:
- 48 11. a. The university is authorized to be a participating contracting
- 49 unit in a cooperative pricing system established by any municipal,
- 50 county, or State public agency, instrumentality of the State, public

- institution of higher education in the State, or any subsidiary or
 affiliate of a public institution of higher education in the State, or any
 federal supply schedule pursuant to the laws of this State.
 - b. The university may make purchases and contract for services through the use of a nationally-recognized and accepted cooperative purchasing agreement, including a cooperative purchasing agreement in existence as of the effective date of P.L.2016, c.50 (C.18A:64-63.1 et al.), in accordance with the provisions of paragraph (3) of subsection b. of section 7 of P.L.1996, c.16 (C.52:34-6.2).
- 10 c. The State Treasurer may promulgate rules and regulations 11 pursuant to the "Administrative Procedure Act," P.L.1968, c.410 12 (C.52:14B-1 et seq.), which are necessary to effectuate the purposes 13 of this section.

14 (cf: P.L.2017, c.178, s.11)

- 16 18. Section 16 of P.L.2017, c.178 (C.18A:64N-16) is amended to read as follows:
 - 16. No trustee or officer of the university shall be personally liable for any debt, obligation, or other liability of the university or incurred by or on behalf of the university or any constituent unit, subsidiary, or affiliate thereof.
 - (cf: P.L.2017, c.178, s.16)

- 24 19. Section 21 of P.L.2017, c.178 (C.18A:64N-21) is amended to read as follows:
 - 21. Upon the establishment of the body corporate and politic known as Montclair State University:
 - a. All appropriations, grants, debt service, research funds, and other monies available to Montclair State University prior to the effective date of [this act] P.L.2017, c.178 (C.18A:64N-1 et seq.) and to become available shall be transferred to the university by the Director of the Division of Budget and Accounting in the Department of the Treasury and shall be available for the objects and purposes for which appropriated, subject to any terms, restrictions, limitations or other requirements imposed by the State budget;
 - b. All other grants, gifts, other moneys and property available to Montclair State University prior to the effective date of [this act] P.L.2017, c.178 (C.18A:64N-1 et seq.) and to become available to or for Montclair State University shall be transferred to the university and shall be available for the objects and purposes of the university, subject to any terms, restrictions, limitations or other requirements imposed by State and federal law or otherwise;
- c. All employees of Montclair State University prior to the effective date of [this act] P.L.2017, c.178 (C.18A:64N-1 et seq.) shall become employees of the university. Nothing in this act shall be construed so as to deprive any person of any right of tenure or under any retirement system or to any pension, disability, social security or similar benefit, to which the person is entitled by law or

- 1 contractually. All persons employed at Montclair State University 2 shall continue to be represented by the majority representative that 3 represented them on the effective date of **[**this act, shall continue to 4 be represented by the executive branch Statewide collective 5 negotiations units they were in on the effective date of this act] 6 P.L.2017, c.178 (C.18A:64N-1 et seq.), and shall continue to be 7 covered by the collective negotiations agreements that were in effect 8 on the effective date of [this act] P.L.2017, c.178 (C.18A:64N-1 et seq.) until such time as a successor agreement is established. 9 10 Pursuant to section 12 of P.L.1986, c.42 (C.18A:64-21.1), the 11 Governor Montclair State University shall [continue to] function as 12 the public employer under the "New Jersey Employer-Employee 13 Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), for persons 14 employed at Montclair State University. [The executive branch Statewide collective negotiations units referenced in this section are 15 16 the units specified in subsection b. of section 1 of P.L.2005, c.142 17 (C.34:13A-5.10). The employees of Montclair State University 18 employed on the effective date of [this act] P.L.2017, c.178 19 (C.18A:64N-1 et seq.) shall not be considered new employees for any 20 purpose and shall retain any accrued seniority, rank, and tenure, 21 which shall be applied when determining eligibility for all benefits, 22 including all paid leave time, longevity increases, promotions and 23 health benefits. Nothing in [this act] P.L.2017, c.178 (C.18A:64N-24 1 et seq.) shall be construed to deprive any person employed at 25 Montclair State University of any tenure rights or to in any manner 26 affect the tenure, rank, or academic track of any employees holding 27 a faculty position. Such tenure, rank and academic track shall 28 continue to be through Montclair State University and shall be held 29 or granted pursuant to the authority of the board of trustees of 30 Montclair State University for all current and future employees 31 employed at Montclair State University. Nothing in [this act] 32 P.L.2017, c.178 (C.18A:64N-1 et seg.) shall be construed to deprive 33 any officers or employees employed at Montclair State University of 34 their rights, privileges, obligations or status under any pension, 35 retirement, health benefits system, civil service law or any other law 36 of this State; 37
- d. All files, papers, records, equipment and other personal property of Montclair State University shall be transferred to the university; [and]

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- e. All orders, rules or regulations theretofore made or promulgated by Montclair State University shall continue in full force and effect as the orders, rules and regulations of the university until amended or repealed by the university; and
- 44 <u>f. Any person who becomes an employee of Montclair State</u>
 45 <u>University or a subsidiary corporation of the university other than a</u>
 46 <u>subsidiary corporation expressly formed pursuant to subsection ee.</u>
 47 <u>of section 9 of P.L.2017, c.178 (C.18A:64N-9) through a merger or</u>

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1 consolidation with another entity, shall be deemed a public employee 2 and shall, as applicable, become a member of the university's 3 collective negotiations unit which encompasses the employee's 4 position and shall be represented by the majority representatives of 5 that unit. 6 (cf: P.L.2017, c.178, s.21) 7 8 20. Section 24 of P.L.2017, c.178 (C.18A:64N-24) is amended to 9 read as follows: 10 24. a. The general powers of supervision and control of the 11 Secretary of Higher Education at the request of the Governor over 12 Montclair State University include the power to visit the university 13 to examine into its manner of conducting its affairs and to enforce an 14 observance of [its laws and regulations and] the laws of the State. 15 b. Notwithstanding any other provision of law to the contrary, 16 Montclair State University, through its board of trustees, shall have 17 the care, custody, control, and title of such property as the State now 18 has or shall hereafter acquire at the university, subject to the visitorial 19 powers of the Secretary of Higher Education at the request of the 20 Governor. 21 (cf: P.L.2017, c.178, s.24) 22 23 21. This act shall take effect immediately. 24 25 26 **STATEMENT** 27 This bill provides for the merger of Bloomfield College with 28 29 Montclair State University, expands the powers and property of Montclair State University, and expands the State college risk 30 31 management group. 32 The bill provides a pathway for Bloomfield College, an 33 independent college, to become a school of Montclair State 34 University. The bill updates the law that established Bloomfield College to reflect the current governance structure of Bloomfield 35 36 College. The bill further permits the college to organize as a 37 nonprofit corporation under Title 15A of the New Jersey Statutes and 38 to merge or consolidate with another nonprofit corporation formed 39 and operated primarily for educational purposes. 40 The State is the current owner of most of the land, including its 41 buildings and structures, at Montclair State University in the 42 townships of Montclair, Little Falls, and Clifton. The State leases 43 this property to the institution. The bill transfers property owned by 44 the State at Montclair State University to the university. Specifically, 45 under the bill, Montclair State University will have the care, custody, 46 control, and title of any property the State now has or will hereafter

acquire at the university, subject to the visitorial powers of the

Secretary of Higher Education at the request of the Governor.

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The bill makes numerous changes, clarifications, and additions to the powers and duties of the board of trustees of Montclair State University including the power or duty to:

• modify its corporate seal;

- approve the establishment or discontinuance of educational programs, departments, or schools;
- enter into contracts and agreements with other public institutions of higher education and their subsidiaries and affiliates;
- merge or consolidate, including through subsidiary corporations created by the university, with one or more other nonprofit corporations; and
- have final authority to determine controversies and disputes concerning tenure and personnel matter of employees not classified under Title 11A of the New Jersey Statutes.

Additionally, the bill provides that:

- any public employees of the university who may be assigned to support any joint venture, subsidiary corporation, partnership, or other jural entity of the university will continue to be deemed public employees; and
- the university may elect to not be represented by the Attorney General in any matter in which the university is solely responsible for any potential liability.

The bill amends the law that authorizes Montclair State University to be a participating contracting unit in a cooperative pricing system. Under the bill, a pricing system may be established by any municipal, county, or State public agency, instrumentality of the State, public institution of higher education in the State, or any subsidiary or affiliate of a public institution of higher education in the State, or any federal supply schedule.

The bill extends the law protecting any trustee or officer of Montclair State University from personal liability for any debt, obligation, or liability of the university to any debt, obligation, or liability incurred by or on behalf of a university subsidiary or affiliate.

The bill permits cooperative use of the buildings or facilities of public institutions of higher education, or of its subsidiaries or affiliates, with one or more other public institutions of higher education.

Current law authorizes two or more State colleges or universities to form a State college risk management group and to participate in joint liability funds, risk management programs, and related services provided by the group, subject to certain regulatory oversight by the Commissioner of Banking and Insurance. This bill renames the groups as "public" college risk management groups and permits all four-year public institutions of higher education to enter into these groups and programs.