

SENATE, No. 3396

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Senator Singer

SYNOPSIS

Broadens types of contracts that educational research and service corporations may enter into on behalf of members; exempts those contracts from certain public bidding requirements.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/12/2024)

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2

1 AN ACT concerning educational research and service corporations
2 and amending P.L.2015, c.140.

3

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

6

7 1. Section 2 of P.L.2015, c.140 (C.18A:3B-6.1) is amended to
8 read as follows:

9 2. a. The governing board of a public research university or a
10 State college may join with other public research universities, State
11 colleges, county colleges, public institutions of higher education
12 primarily located in the State of New Jersey, and nonprofit
13 independent institutions of higher education that receive direct State
14 aid, to form an educational research and services corporation to be
15 operated exclusively for charitable, scientific, and educational
16 purposes, within the meaning of paragraph (3) of subsection (c) of
17 section 501 of the federal Internal Revenue Code (26 U.S.C. s.501).

18 b. (1) An educational research and services corporation may act
19 as a lead agency or contracting unit for the procurement of goods or
20 services including, but not limited to, goods or services concerning
21 educational technology systems and related services, by those
22 entities comprising the educational and research services
23 corporation.

24 An educational research and services corporation may enter into
25 an agreement with an institution of higher education which is a
26 voting member of the educational research and services corporation
27 to provide services, consulting, staffing, or goods concerning
28 educational technology systems and related educational support
29 services. The agreement shall be considered a shared services
30 agreement and shall not be subject to any public bidding
31 requirements under State law including, but not limited to, the
32 provisions of the "County College Contracts Law," P.L.1982, c.189
33 (C.18A:64A-25.1 et seq.) and the "State College Contracts Law,"
34 P.L.1986, c.43 (C.18A:64-52 et seq.).

35 (2) An educational research and services corporation shall be
36 deemed a local unit for the purposes of the "Uniform Shared
37 Services and Consolidation Act," sections 1 through 35 of P.L.2007,
38 c.63 (C.40A:65-1 through C.40A:65-35) and may act as a lead
39 agency or contracting unit for the procurement of goods or services
40 including, but not limited to, goods or services concerning
41 educational technology systems and related services by
42 municipalities, fire districts, counties, local authorities subject to
43 the "Local Authorities Fiscal Control Law," P.L.1983, c.313
44 (C.40A:5A-1 et seq.), school districts, county colleges, State
45 colleges, public research universities, nonprofit independent

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

Matter underlined thus is new matter.

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1 institutions of higher education that receive direct State aid, or any
2 combination of those entities.

3 c. An educational research and services corporation formed
4 under P.L.2015, c.140, shall be subject to all applicable
5 requirements under all applicable State and local procurement laws,
6 including, but not limited to, section 1 of P.L.1977, c.33 (C.52:25-
7 24.2), P.L.2012, c.25 (C.52:32-55 et seq.), and P.L.2005, c.51
8 (C.19:44A-20.13 et seq.), except as otherwise provided in
9 subsection b. of this section.
10 (cf: P.L.2015, c.140, s.2)

11

12 2. This act shall take effect immediately.

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STATEMENT

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17 This bill permits educational research and service corporations to
18 contract with institutions of higher education that are voting
19 members of the educational research and service corporation and
20 exempts those contracts from public bidding requirements.

21 Under current law, a four-year public institution of higher
22 education is permitted to join with other public or independent
23 institutions to form an educational research and services corporation
24 to be operated exclusively for charitable, scientific, and educational
25 purposes in accordance with federal law.

26 Current law further permits an educational research and service
27 corporation to act as a lead agency or contracting unit for the
28 procurement of goods and services concerning educational
29 technology systems and related services by the entities comprising
30 the corporation. The bill permits the educational research and
31 services corporation to act as a lead agency or contracting unit for
32 the procurement of all goods and services including, but not limited
33 to, goods and services concerning educational technology systems
34 and related services.

35 The provisions of the bill also permit an educational research and
36 services corporation to enter into an agreement with an institution
37 of higher education which is a voting member of the educational
38 research and services corporation to provide services, consulting,
39 staffing, or goods concerning educational technology systems and
40 related educational support services. The bill stipulates that these
41 agreements are to be considered shared services agreements and are
42 not subject to any public bidding requirements under State law
43 including, but not limited to, the County College Contracts Law and
44 the State College Contracts Law.