

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3848 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 19, 2023

SUMMARY

- Synopsis:** Provides for merger of Bloomfield College with Montclair State University; expands powers and property of Montclair State University; expands State college risk management group.
- Type of Impact:** Annual State cost increases; annual cost and revenue increases to Montclair State University.
- Agencies Affected:** Montclair State University; Department of the Treasury.

Office of Legislative Services Estimate	
Annual State Cost Increase	Indeterminate
Annual Montclair State University Cost Increase	Indeterminate
Annual Montclair State University Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) does not have sufficient information to make a comprehensive analysis of the fiscal impact of this bill. Bloomfield College publicly released a summary of the Agreement and Plan of Merger but notes that the full agreement will not be made available until the merger has been executed. The summary provided by Bloomfield College does not include information on the anticipated costs of the proposed merger. Similarly, Montclair State University has not publicly released information on the anticipated costs of the proposed merger.
- Bloomfield College's assets and liabilities will be assumed by Montclair State upon the merger. Bloomfield College listed \$35.7 million in total liabilities, including \$32.5 million in long-term debt, in its FY 2022 financial statements. Its assets totaled \$93.9 million, including \$62.5 million in property and equipment and \$31.3 million in non-property assets.
- About 1,200 Bloomfield College students are expected to become part of Montclair State University after the merger, and between 120 and 130 Bloomfield College employees will transition to employment at Montclair State.

BILL DESCRIPTION

This bill provides for the merger of Bloomfield College with Montclair State University, expands the powers and property of Montclair State University, and expands the State college risk management group.

The bill provides a pathway for Bloomfield College, an independent college, to become a school of Montclair State University and permits the college to merge or consolidate with another nonprofit corporation operated primarily for educational purposes.

Montclair State University will have the control and title of any property the institution acquires as part of the merger.

The bill makes numerous changes to the powers and duties of the board of trustees of Montclair State University, including the power to merge or consolidate with one or more other nonprofit corporations.

Additionally, the bill provides that any public employees of the university who may be assigned to support any related entity of the university will continue to be deemed public employees.

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 and risk management programs provided by the group. This bill permits all four-year public institutions of higher education to enter into these groups and programs.

The bill maintains the current structure for the Statewide collective negotiations units at Montclair State University and clarifies that any person who becomes an employee of the university is to be deemed a public employee, becomes a member of the Statewide collective negotiations unit which encompasses the employee's position, and is to be represented by the majority representatives of that unit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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About 1,200 Bloomfield College students are expected to become part of Montclair State after the merger. The revenues that these students provide to Bloomfield College will become annual revenues of Montclair State University. The University will also incur additional annual costs to educate these students and provide other ancillary services.

Between 120 and 130 Bloomfield College employees will transition to employment at Montclair State University and will become State employees with eligibility for various State benefits, including the State Health Benefits Program, resulting in an indeterminate increase in annual State costs. Other Bloomfield College faculty and employees not offered positions at Montclair State will receive severance.

Section: Education

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).