



Capital Construction and Debt Service

The Capital Construction portion of this section includes an overview and summary of appropriations and expenditures for the design, construction and repair of major capital assets such as roads, bridges, parks or other physical facilities.

The Debt Service portion of this section shows the amounts necessary to pay principal and interest due on capital projects financed via general obligation bonds.

CAPITAL CONSTRUCTION

OVERVIEW

Capital Definition and Objectives

In New Jersey, a capital project is defined to include the acquisition of land, new structures and equipment, and other projects whose cost of land, planning, furnishing and equipment is estimated over \$50,000. Projects or acquisitions under \$50,000 are appropriated in the maintenance accounts in the Direct State Services section of the budget. New Jersey's Capital Program invests in critical short-term and long-term needs that prove to be essential to the citizens of the state. These needs include preservation of existing capital equipment and facilities; investments in the transportation system; improvements to wastewater treatment and water supply facilities; cleanup of hazardous waste sites; preservation of open space; and construction of local schools and higher education facilities. Together, these investments ensure a clean and healthy environment, provide recreational space, enhance mobility and generate economic growth and jobs for New Jersey citizens.

Capital Planning Process

The Capital budget is largely based on the recommendations of the New Jersey Commission on Capital Budgeting and Planning. This Commission is composed of members of the Executive Branch, Legislative Branch and the public. It prepares the State's annual Capital Improvement Plan and serves in an advisory role to the Governor and the Legislature. In addition to the Commission, the capital budgeting process includes the Governor's Office, the Office of Management and Budget, the Department of the Treasury and other State departments and agencies.

This budget recommends recurring funding for environmental, transportation and open space capital expenditures. In addition, this budget recommends \$101.6 million within Interdepartmental Accounts for non-recurring discretionary capital projects at State-owned facilities. Additional information on capital recommendations can be found in the individual departmental detail.

CAPITAL CONSTRUCTION

Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2022					Year Ending June 30, 2024			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recom- mended
79,989	195	-79,724	460	---	Department of Agriculture	97,761	---	---
---	---	660	660	---	Department of Children and Families	---	---	---
---	992	-145	847	---	Department of Community Affairs	---	---	---
---	11,947	2,000	13,947	2,336	Department of Corrections	---	---	---
---	152	---	152	4	Department of Education	---	---	---
371,647	336,181	-13,949	693,879	188,101	Department of Environmental Protection	429,267	184,951	184,951
---	4,583	2,185	6,768	656	Department of Health	---	---	---
---	6,996	3,369	10,365	1,239	Department of Human Services	---	---	---
---	3,193	1,400	4,593	815	Department of Law and Public Safety	3,500	---	---
---	25	2,000	2,025	2,000	Department of Military and Veterans' Affairs	---	---	---
1,540,799	---	---	1,540,799	1,471,428	Department of Transportation	1,552,936	1,578,017	1,578,017
1,340,799	---	---	1,340,799	1,271,428	<i>(From General Fund)</i>	1,352,936	1,378,017	1,378,017
200,000	---	---	200,000	200,000	<i>(From Property Tax Relief Fund)</i>	200,000	200,000	200,000
---	142	---	142	---	Department of the Treasury	---	---	---
5,361,749	66,483	-1,840	5,426,392	5,284,000	Interdepartmental Accounts	2,564,532	208,536	208,536
5,330,485	66,483	-1,840	5,395,128	5,252,799	<i>(From General Fund)</i>	2,533,268	177,272	177,272
31,264	---	---	31,264	31,201	<i>(From Property Tax Relief Fund)</i>	31,264	31,264	31,264
7,354,184	430,889	-84,044	7,701,029	6,950,579	Total Appropriation	4,647,996	1,971,504	1,971,504
7,122,920	430,889	-84,044	7,469,765	6,719,378	<i>(From General Fund)</i>	4,416,732	1,740,240	1,740,240
231,264	---	---	231,264	231,201	<i>(From Property Tax Relief Fund)</i>	231,264	231,264	231,264

DEBT SERVICE

OVERVIEW

The State finances certain capital projects through the sale of general obligation bonds that have been approved by voters in a general election. The State must present debt before the voters in a general election under the statutory debt limitations in the State Constitution. The State Constitution provides that the State Legislature shall not create, in any fiscal year, debt or liability of the State, which, together with any previous debts or liabilities, exceeds at any time 1% of total appropriations, unless authorized by law and submitted to the people at a general election for approval by the voters. Since the recommended appropriation level is approximately \$53.1 billion, the debt limit is \$531 million before voter approval must be sought. The current level of outstanding general obligation debt is \$5.0 billion. Therefore, voter approval must be sought in order to authorize additional general obligation bonds. Voter approval is not required for any law authorizing the creation of a debt for a refinancing of all or any portion of the outstanding debts or liabilities of the State, so long as the refinancing

produces a debt service savings.

The Debt Service section of the budget shows the amounts necessary to pay principal and interest due on capital projects financed via general obligation bonds. Appropriations for principal and interest payments on general obligation bonds are recommended at \$581.7 million for fiscal year 2024. This projected level of debt service provides funding for the payment of principal and interest on bonds currently outstanding and reflects the use of the New Jersey Debt Defeasance and Prevention Fund to reduce the cost of existing bonds and avoid the issuance of new bonds.

The Statement of General Long-Term Debt, which appears in the Appendix of this budget, shows the status of the State's general obligation bonded indebtedness as of June 30, 2022. The outstanding debt as of that date is \$5.0 billion. Also, there is \$368.2 million of additional long-term debt authorized but unissued.

DEBT SERVICE (thousands of dollars)

Year Ending June 30, 2022						Year Ending June 30, 2024		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recom- mended
250,697	---	-14,571	236,126	205,310	Interest on Bonds	203,705	189,564	189,564
144,510	---	14,495	159,005	158,920	Bond Redemption	417,040	392,185	392,185
395,207	---	-76	395,131	364,230	Total Appropriation	620,745	581,749	581,749
---	---	335	335	335	Water Supply Bonds (P.L. 1981, c. 261)	866	966	966
100,903	---	---	100,903	100,902	Refunding Bonds (P.L. 1985, c. 74, as amended by P.L. 1992, c. 182)	41,567	---	---
---	---	185	185	185	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	205	234	234
745	---	---	745	735	Hazardous Discharge Bonds (P.L. 1986, c. 113)	1,152	1,207	1,207
260	---	---	260	215	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	465	498	498
346	---	---	346	276	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	361	366	366
226	---	---	226	157	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	186	183	183
3,303	---	---	3,303	3,130	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	3,120	3,153	3,153
260	---	---	260	215	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	218	219	219
3,423	---	---	3,423	2,938	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	2,935	2,935	2,935
23,506	---	---	23,506	20,187	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	21,472	21,634	21,634
57,437	---	---	57,437	49,946	Building our Future Bonds (P.L. 2012, c. 41)	49,944	49,940	49,940

DEBT SERVICE

Year Ending June 30, 2022					Year Ending June 30, 2024			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recom- mended
---	---	1,865	1,865	1,865	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	4,538	5,068	5,068
4,732	---	12,110	16,842	16,841	Securing our Children's Future Bonds (P.L. 2018, c. 119)	31,842	33,470	33,470
166,304	---	---	166,304	166,303	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	461,874	461,876	461,876
33,762	---	-14,571	19,191	---	Payments on Future Bond Sales	---	---	---
395,207	---	-76	395,131	364,230	Total Appropriation	620,745	581,749	581,749

DESCRIPTION OF BOND FUNDS FINANCED BY DEBT SERVICE APPROPRIATION

CLEAN WATERS BONDS - 1976

An amount of \$120 million was authorized for the conservation and development of water resources through construction of water supply and wastewater treatment facilities.

ENERGY CONSERVATION BONDS - 1980

An amount of \$50 million was authorized for energy audits and renovation of public buildings for the purpose of reducing energy consumption.

NATURAL RESOURCES BONDS - 1980

An amount of \$145 million was authorized for development, acquisition and construction of resource recovery facilities, sewage treatment facilities, water supply facilities, dam restoration projects and harbor cleanup. An amount of \$50 million was allocated for resource recovery; \$60 million for sewage treatment; \$12 million for harbor cleanup; \$15 million for dam restoration; and \$8 million for water supply.

WATER SUPPLY BONDS - 1981

An amount of \$350 million was authorized for State or local projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities and to plan, design, acquire and construct various state water supply facilities.

PINELANDS INFRASTRUCTURE TRUST BONDS - 1985

An amount of \$30 million was authorized to provide grants and loans to local governments located in the Pinelands for infrastructure needs.

HAZARDOUS DISCHARGE BONDS - 1986

An amount of \$200 million was authorized for the identification, cleanup and removal of hazardous discharges.

NEW JERSEY GREEN ACRES, CULTURAL CENTERS AND HISTORIC PRESERVATION BONDS - 1987

An amount of \$100 million was authorized for the construction and development of cultural centers and for restoration, repair and rehabilitation of historic structures. An amount of \$40 million was allocated to the Department of State for State grants for cultural center development. The Department of Environmental Protection was allocated \$25 million for historic preservation grants and loans and \$35 million for grants and loans to local government units for Green Acres projects.

STORMWATER MANAGEMENT AND COMBINED SEWER OVERFLOW ABATEMENT BONDS - 1989

An amount of \$50 million was authorized for the purpose of providing grants and low interest loans to local government units for the costs of projects to manage stormwater and abate combined sewer overflows into the state's waters and other improper connections of stormwater and sewer systems.

DEBT SERVICE

OPEN SPACE PRESERVATION BONDS - 1989

An amount of \$300 million was authorized for the purchase and development of land for recreation and conservation purposes and to provide State matching funds for soil and water conservation projects. The Department of Environmental Protection was allocated \$230 million for acquisition of lands for recreational development and conservation purposes and \$20 million for funding development potential transfer banks. The Department of Agriculture was allocated \$50 million for the preservation of farmland for agricultural use and production.

PUBLIC PURPOSE BUILDINGS AND COMMUNITY-BASED FACILITIES CONSTRUCTION BONDS - 1989

An amount of \$125 million was authorized for the purchase, construction and renovation of public buildings. An amount of \$90 million was allocated to the Department of Human Services for facilities for the mentally ill and developmentally disabled. The Department of Corrections was allocated \$35 million for the construction of correctional facilities.

GREEN ACRES, CLEAN WATER, FARMLAND AND HISTORIC PRESERVATION BONDS - 1992

A total amount of \$345 million was authorized, of which the Department of Environmental Protection was authorized an amount of \$200 million for acquisition and development of lands for recreation and conservation purposes, \$25 million for historic preservation projects, \$20 million for dam restoration and inland waters projects and \$50 million for financing wastewater treatment system projects. The Department of Agriculture was provided with \$50 million for the preservation of farmland for agricultural use and production.

GREEN ACRES, FARMLAND AND HISTORIC PRESERVATION, AND BLUE ACRES BONDS - 1995

A total amount of \$340 million was authorized, of which the Department of Environmental Protection was allocated \$250 million for acquisition and development of lands for recreation and conservation purposes, and to provide State matching funds for recreation and conservation projects, \$10 million for historic preservation projects, \$15 million for the acquisition of coastal area lands that have, or are prone to damage by storms or storm-related flooding and \$15 million to purchase lands in the floodway of the Passaic River. The Department of Agriculture was allocated \$50 million for the preservation of farmland for agricultural use and production.

PORT OF NEW JERSEY REVITALIZATION, DREDGING, ENVIRONMENTAL CLEANUP, LAKE RESTORATION, AND DELAWARE BAY AREA ECONOMIC DEVELOPMENT BONDS - 1996

The Department of Environmental Protection was authorized a total amount of \$300 million, of which \$185 million was allocated for the construction of subaqueous pits and a containment facility for the disposal of dredged material from the New Jersey/New York port region, \$20 million for dredging navigational channels not located in the port region, \$70 million for remediation of hazardous discharge sites, \$5 million for lake restoration projects and \$20 million for financing economic development sites in the Delaware River and Bay Region.

DAM, LAKE, STREAM, AND WASTEWATER TREATMENT PROJECT BONDS - 2003

An amount of \$200 million was authorized for the purposes of dam restoration and repair projects, lake dredging and restoration projects, and stream cleaning and desnagging projects. Of the total amount authorized, \$15 million was allocated to restore and repair State-owned dams, \$105 million was allocated for low-interest loans to owners of private dams for dam restoration and repair projects, \$30 million was allocated for low-interest loans to owners of private lakes and streams and private lake associations for lake dredging, restoration, or stream cleaning and desnagging projects, necessary to diminish severe flooding, and \$50 million was allocated for wastewater treatment system projects.

GREEN ACRES, FARMLAND, BLUE ACRES, AND HISTORIC PRESERVATION BONDS - 2007

An amount of \$200 million was authorized for the purpose of acquisition and development of lands for recreation and conservation purposes; preservation of farmland for agricultural or horticultural use and production; acquisition, for recreation and conservation purposes, of properties in the floodways of the Delaware River, Passaic River and Raritan River, and their tributaries, that are prone to or have incurred flood or storm damage; and funding historic preservation projects.

GREEN ACRES, WATER SUPPLY AND FLOODPLAIN PROTECTION, AND FARMLAND AND HISTORIC PRESERVATION BONDS - 2009

An amount of \$400 million was authorized for the purpose of acquisition and development of lands for recreation and conservation purposes, including lands that protect water supplies; preservation of farmland for agricultural or horticultural use and production; acquisition, for recreation and conservation purposes, of properties that are prone to or have incurred flood or storm damage; and funding historic preservation projects.

BUILDING OUR FUTURE BONDS - 2012

An amount of \$750 million was authorized for the purpose of capital project grants for increasing academic capacity at New Jersey's public institutions and private institutions of higher education.

NEW JERSEY LIBRARY CONSTRUCTION BOND ACT - 2017

An amount of \$125 million was authorized for the purpose of the construction, reconstruction, development, extension, improvement and furnishing of New Jersey's public libraries.

SECURING OUR CHILDREN'S FUTURE BOND ACT - 2018

An amount of \$500 million was authorized for the purpose of capital project grants for increasing the career and technical education program capacity at county vocational school districts and county colleges, for school security upgrades, and for school district water infrastructure improvement projects.

NEW JERSEY COVID-19 EMERGENCY BOND ACT - 2020

An amount of up to \$9.9 billion was authorized for the purpose of responding to the fiscal exigencies caused by the COVID-19 Pandemic.

**42. DEPARTMENT OF ENVIRONMENTAL PROTECTION
40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT
46. ENVIRONMENTAL PLANNING AND ADMINISTRATION**

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2022						Year Ending June 30, 2024		
Orig. & (S)Supple- mental	Reapp. & (R)Recepts.	Transfers & (E)Emer- gencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recom- mended
13,679	---	---	13,679	9,548	Interest on Bonds	10,645	10,070	10,070
18,390	---	520	18,910	18,825	Bond Redemption	20,335	21,325	21,325
<u>32,069</u>	---	<u>520</u>	<u>32,589</u>	<u>28,373</u>	<i>Total Appropriation</i>	<u>30,980</u>	<u>31,395</u>	<u>31,395</u>
Distribution by Object								
Special Purpose:								
<i>Interest:</i>								
---	---	---	---	---	Water Supply Bonds (P.L. 1981, c. 261)	501	591	591
---	---	---	---	---	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	---	24	24
285	---	---	285	275	Hazardous Discharge Bonds (P.L. 1986, c. 113)	502	532	532
176	---	---	176	126	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	141	136	136
100	---	---	100	55	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	215	233	233
86	---	---	86	82	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	41	33	33
1,363	---	---	1,363	1,190	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	1,080	1,013	1,013
100	---	---	100	55	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	48	39	39
1,433	---	---	1,433	948	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	850	745	745
10,136	---	---	10,136	6,817	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	7,267	6,724	6,724
<i>Redemption:</i>								
---	---	335	335	335	Water Supply Bonds (P.L. 1981, c. 261)	365	375	375
---	---	185	185	185	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	205	210	210
460	---	---	460	460	Hazardous Discharge Bonds (P.L. 1986, c. 113)	650	675	675
170	---	---	170	150	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	220	230	230

DEBT SERVICE

Year Ending June 30, 2022						Year Ending June 30, 2024		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recommended
160	---	---	160	160	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	250	265	265
140	---	---	140	75	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	145	150	150
1,940	---	---	1,940	1,940	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	2,040	2,140	2,140
160	---	---	160	160	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	170	180	180
1,990	---	---	1,990	1,990	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	2,085	2,190	2,190
<u>13,370</u>	<u>---</u>	<u>---</u>	<u>13,370</u>	<u>13,370</u>	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	<u>14,205</u>	<u>14,910</u>	<u>14,910</u>
32,069	---	520	32,589	28,373	<i>Total Special Purpose</i>	30,980	31,395	31,395
32,069	---	520	32,589	28,373	Total Appropriation, Department of Environmental Protection	30,980	31,395	31,395

82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
76. MANAGEMENT AND ADMINISTRATION

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2022						Year Ending June 30, 2024		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recommended
237,018	---	-14,571	222,447	195,762	Interest on Bonds	193,060	179,494	179,494
126,120	---	13,975	140,095	140,095	Bond Redemption	396,705	370,860	370,860
<u>363,138</u>	<u>---</u>	<u>-596</u>	<u>362,542</u>	<u>335,857</u>	<i>Total Appropriation</i>	<u>589,765</u>	<u>550,354</u>	<u>550,354</u>
Distribution by Object								
Special Purpose:								
<i>Interest:</i>								
33,762	---	-14,571	19,191	---	Payments on Future Bond Sales	---	---	---
5,338	---	---	5,338	5,337	Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	1,657	---	---
26,882	---	---	26,882	19,391	Building our Future Bonds (P.L. 2012, c. 41)	17,864	16,260	16,260
---	---	---	---	---	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	2,503	2,988	2,988
4,732	---	---	4,732	4,731	Securing our Children's Future Bonds (P.L. 2018, c. 119)	4,732	5,765	5,765
166,304	---	---	166,304	166,303	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	166,304	154,481	154,481
<i>Redemption:</i>								
95,565	---	---	95,565	95,565	Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	39,910	---	---
30,555	---	---	30,555	30,555	Building our Future Bonds (P.L. 2012, c. 41)	32,080	33,680	33,680
---	---	1,865	1,865	1,865	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	2,035	2,080	2,080
---	---	12,110	12,110	12,110	Securing our Children's Future Bonds (P.L. 2018, c. 119)	27,110	27,705	27,705

DEBT SERVICE

Year Ending June 30, 2022					Year Ending June 30, 2024			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2023 Adjusted Approp.	Requested	Recom- mended
---	---	---	---	---	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	<u>295,570</u>	<u>307,395</u>	<u>307,395</u>
363,138	---	-596	362,542	335,857	<i>Total Special Purpose</i>	589,765	550,354	550,354
363,138	---	-596	362,542	335,857	Total Appropriation, Department of the Treasury	589,765	550,354	550,354

Language Recommendations -- Debt Service

Notwithstanding the provisions of any law or regulation to the contrary, such amounts as may be needed for the payment of interest and principal due from the issuance of any bonds authorized under the several bond acts of the State, or bonds issued to refund such bonds, are appropriated and first shall be charged to the earnings from the investments of such bond proceeds, or repayments of loans, or any other monies in the applicable bond funds, or all of these, established under such bond acts, and monies are appropriated from such bond funds for the purpose of paying interest and principal on the bonds issued pursuant to such bond acts. Where required by law, such amounts shall be used to fund a reserve for the payment of interest and principal on the bonds authorized under the bond act. Furthermore, where required by law, the amounts hereinabove appropriated are allocated to the projects heretofore approved by the Legislature pursuant to those bond acts. The Director of the Division of Budget and Accounting is authorized to reallocate amounts hereinabove appropriated among the various debt service accounts to permit the proper debt service payments.

There are appropriated such amounts as may be needed for the payment of debt service administrative costs.

Subsequent to the refunding of bonds in the current fiscal year, the Director of the Division of Budget and Accounting is authorized to allocate amounts hereinabove appropriated among the various debt service accounts to reflect the debt service savings of the refunding and to permit the proper debt service payments.

395,207	---	-76	395,131	364,230	Grand Total, Debt Service	620,745	581,749	581,749
---------	-----	-----	---------	---------	----------------------------------	----------------	----------------	----------------