

APPROPRIATIONS HANDBOOK

STATE OF NEW JERSEY

FISCAL YEAR

2020 - 2021

DEPARTMENT OF THE TREASURY

OFFICE OF MANAGEMENT AND BUDGET

Elizabeth Maher Muoio

State Treasurer

David Ridolfino

*Acting Director, Office of
Management and Budget*

**NEW JERSEY STATE LEGISLATURE
BUDGET AND APPROPRIATIONS COMMITTEES
SESSION OF 2020-21**

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Paul A. Sarlo (D), 36th District (Parts of Bergen and Passaic), *Chair*
Sandra B. Cunningham (D), 31st District (Part of Hudson), *Vice-Chair*
Dawn Marie Addiego (R), 8th District (Parts of Atlantic, Burlington and Camden)
Nilsa I. Cruz-Perez (D), 5th District (Parts of Camden and Gloucester)
Patrick J. Diegnan Jr. (D), 18th District (Part of Middlesex)
Linda R. Greenstein (D), 14th District (Parts of Mercer and Middlesex)
Declan J. O'Scanlon Jr. (R), 13th District (Part of Monmouth)
Steven V. Oroho (R), 24th District (All of Sussex, and Parts of Morris and Warren)
M. Teresa Ruiz (D), 29th District (Part of Essex)
Troy Singleton (D), 7th District (Part of Burlington)
Michael L. Testa Jr. (R), 1st District (Parts of Atlantic, Cape May and Cumberland)
Samuel D. Thompson (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)

GENERAL ASSEMBLY BUDGET COMMITTEE

Eliana Pintor Marin, (D), 29th District (Part of Essex), *Chair*
John J. Burzichelli (D), 3rd District (All of Salem, Parts of Cumberland and Gloucester), *Vice-Chair*
Daniel R. Benson (D), 14th District (Parts of Mercer and Middlesex)
Robert D. Clifton (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)
Serena DiMaso (R), 13th District (Part of Monmouth)
Gordon M. Johnson (D), 37th District (Part of Bergen)
John F. McKeon (D), 27th District (Parts of Essex and Morris)
Nancy F. Munoz (R), 21st District (Parts of Morris, Somerset and Union)
Carol A. Murphy (D), 7th District (Part of Burlington)
Verlina Reynolds-Jackson, (D), 15th District (Parts of Hunterdon and Mercer)
William W. Spearman, (D), 5th District (Parts of Camden and Gloucester)
Benjie E. Wimberly (D), 35th District (Parts of Bergen and Passaic)
Harold J. (Hal) Wirths, (R), 24th District (All of Sussex, and Parts of Morris and Warren)

Frank W. Haines III, *Legislative Budget and Finance Officer*, Office of Legislative Services

Thomas Koenig, *Assistant Legislative Budget and Finance Officer*, Office of Legislative Services

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TO ALL DEPARTMENTS AND AGENCIES

Attention is directed to section one of the Appropriations Act (P.L.2020, c.97) with reference to the availability of the appropriations for the period of one month after the close of said period fiscal year. State officers are advised that, by reason of the enactment of this clause, all unexpended balances will lapse, unless otherwise provided, at the close of the one-month period unless they are reserved as provided therein.

Transmittals of funds deposited by each State agency shall be forwarded to the Division of Budget and Accounting in accordance with existing regulations. Each State agencies' deposits will be credited to the appropriate account. Receipts which may be appropriated to any State agency may be expended only in accordance with the provisions of the Act.

State agencies shall forward bills for payment as soon as practicable. Every effort will be made by the Department of the Treasury to facilitate payment, particularly those bills subject to discount.

SPECIAL CIRCUMSTANCES RELATED TO THE FISCAL YEAR 2021 APPROPRIATIONS HANDBOOK

The amounts for appropriation contained herein for Fiscal Year 2021 are for the nine-month period beginning October 1, 2020 and ending June 30, 2021.

State Fiscal Year 2021 was truncated from the typical twelve month period due to the extension of State Fiscal Year 2020 pursuant to P.L.2020, c.19, (https://www.njleg.state.nj.us/2020/Bills/PL20/19_.PDF) the “COVID-19 Fiscal Mitigation Act.” This statute extended Fiscal Year 2020 from June 30, 2020 to September 30, 2020, and extended the filing deadline for the Gross Income Tax and the Corporation Business Tax in order to align New Jersey with the Internal Revenue Service’s movement of the April 15, 2020 federal income tax deadline to July 15, 2020. As a result, the Governor and Legislature had sufficient time to adopt the Fiscal Year 2021 Appropriations Act with more accurate information concerning State Fiscal Year 2020 revenues and expenditures and more accurate estimates of State Fiscal Year 2021 revenues and expenditures following the onset of the COVID-19 pandemic.

Moreover, to address expected revenue losses attributable to the pandemic, the Fiscal Year 2021 Appropriations Act reflected in this handbook contemplates that the State will borrow \$4.5 billion as authorized under the “New Jersey COVID-19 Emergency Bond Act,” P.L.2020, c.60. The proceeds from this bond issuance are recorded as general fund revenue in accordance with the bond act, and certified as such by the Governor. The bond act allows for two methods of issuing debt, although at the time of this publication, the method and approach for issuance has not yet been finalized:

- 1) The State is authorized to borrow under the Federal Reserve’s Municipal Liquidity Facility in such amounts and on such terms as the Federal Reserve permits under the Facility;
- 2) The State is authorized to borrow at a public or private sale at such price or prices and under such terms, conditions and regulations as the issuing officials may prescribe; and
- 3) The State is authorized to borrow up to the amount of revenue the Governor or State Treasurer publicly certify as the State’s revenue shortfall resulting from the pandemic before each tranche of borrowing so as to ensure the authorization provided under Chapter 60 meets the “Emergency Exception” in the Debt Limitation Clause of the New Jersey State Constitution (*New Jersey State Republican Committee v. Murphy*, 243 N.J. 574 (2020)).

Details of the enacted budget for the extended State Fiscal Year 2020 (the period beginning July 1, 2020 and ending September 30, 2020), (https://www.njleg.state.nj.us/2020/Bills/AL20/43_.PDF) as well as the total 12-month appropriation amounts for the period beginning July 1, 2020 and ending June 30, 2021 can be found in Appendix A of this handbook.

Finally, it is noted that despite the extension of the fiscal year for budgeting purposes, the Department of the Treasury will adhere to the traditional reporting schedule and accounting rules for financial reporting and the issuance of New Jersey’s Comprehensive Annual Financial Report (“CAFR”). As such, the extension of State Fiscal Year 2020 will have no impact on the State’s financial reporting obligations and the State’s CAFR will continue to report on a twelve-month basis for Fiscal Year 2020 and Fiscal Year 2021.