



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 \$100.1 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, 2021						Year Ending June 30, 2023		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2022 Adjusted Approp.	Requested	Recom- mended
56,268	190	-56,263	195	---	Department of Agriculture	79,989	---	---
---	726	3	729	---	Department of Community Affairs	---	---	---
---	5,741	6,332	12,073	247	Department of Corrections	---	---	---
---	132	---	132	---	Department of Education	---	---	---
199,709	297,017	-9,370	487,356	159,214	Department of Environmental Protection	418,952	173,622	173,622
---	2,744	2,281	5,025	442	Department of Health	---	---	---
---	4,550	3,623	8,173	1,178	Department of Human Services	---	---	---
---	3,305	1,566	4,871	1,682	Department of Law and Public Safety	---	---	---
---	1,405	---	1,405	1,402	Department of Military and Veterans' Affairs	---	---	---
1,496,095	---	---	1,496,095	1,426,257	Department of Transportation	1,540,799	1,552,936	1,552,936
1,296,095	---	---	1,296,095	1,226,257	<i>(From General Fund)</i>	1,340,799	1,352,936	1,352,936
200,000	---	---	200,000	200,000	<i>(From Property Tax Relief Fund)</i>	200,000	200,000	200,000
---	300	---	300	158	Department of the Treasury	---	---	---
3,837,541	58,692	-4,548	3,891,685	3,825,931	Interdepartmental Accounts	1,511,749	214,532	214,532
3,806,277	58,692	-4,548	3,860,421	3,794,866	<i>(From General Fund)</i>	1,480,485	183,268	183,268
31,264	---	---	31,264	31,065	<i>(From Property Tax Relief Fund)</i>	31,264	31,264	31,264
5,589,613	374,802	-56,376	5,908,039	5,416,511	Total Appropriation	3,551,489	1,941,090	1,941,090
5,358,349	374,802	-56,376	5,676,775	5,185,446	<i>(From General Fund)</i>	3,320,225	1,709,826	1,709,826
231,264	---	---	231,264	231,065	<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 \$48.9 billion, the debt limit is \$489 million before voter approval must be sought. The current level of outstanding general obligation debt is \$5.5 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 \$620.7 million for fiscal year 2023. 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 (P.L.2021, c.125) 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, 2021. The outstanding debt as of that date is \$5.5 billion. Also, there is \$368.2 million of additional long-term debt authorized but unissued.

DEBT SERVICE (thousands of dollars)

Year Ending June 30, 2021					Year Ending June 30, 2023			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2022 Adjusted Approp.	Requested	Recom- mended	
424,620	---	-57,355	367,265	145,496	Interest on Bonds	250,697	203,705	203,705
216,585	---	---	216,585	216,584	Bond Redemption	144,510	417,040	417,040
641,205	---	-57,355	583,850	362,080	Total Appropriation	395,207	620,745	620,745
551	---	---	551	---	Water Supply Bonds (P.L. 1981, c. 261)	---	866	866
181,463	---	---	181,463	181,462	Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	100,903	41,567	41,567
---	---	---	---	---	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	---	205	205
1,151	---	---	1,151	747	Hazardous Discharge Bonds (P.L. 1986, c. 113)	745	1,152	1,152
446	---	---	446	262	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	260	465	465
349	---	---	349	349	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	346	361	361
222	---	---	222	222	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	226	186	186
3,685	---	---	3,685	3,299	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	3,303	3,120	3,120
263	---	---	263	262	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	260	218	218
3,417	---	---	3,417	3,417	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	3,423	2,935	2,935
24,737	---	---	24,737	23,507	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	23,506	21,472	21,472
57,437	---	---	57,437	57,437	Building our Future Bonds (P.L. 2012, c. 41)	57,437	49,944	49,944

DEBT SERVICE

Year Ending June 30, 2021						Year Ending June 30, 2023		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2022 Adjusted Approp.	Requested	Recom- mended
2,752	---	---	2,752	---	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	---	4,538	4,538
4,732	---	---	4,732	4,731	Securing our Children's Future Bonds (P.L. 2018, c. 119)	4,732	31,842	31,842
---	---	---	---	---	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	166,304	461,874	461,874
360,000	---	-57,355	302,645	86,385	Payments on Future Bond Sales	33,762	---	---
641,205	---	-57,355	583,850	362,080	Total Appropriation	395,207	620,745	620,745

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, 2021						Year Ending June 30, 2023		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2022 Adjusted Approp.	Requested	Recommended
17,306	---	---	17,306	14,550	Interest on Bonds	13,679	10,645	10,645
<u>17,515</u>	<u>---</u>	<u>---</u>	<u>17,515</u>	<u>17,515</u>	Bond Redemption	<u>18,390</u>	<u>20,335</u>	<u>20,335</u>
34,821	---	---	34,821	32,065	Total Appropriation	32,069	30,980	30,980
Distribution by Object								
<i>Interest:</i>								
551	---	---	551	---	Water Supply Bonds (P.L. 1981, c. 261)	---	501	501
711	---	---	711	307	Hazardous Discharge Bonds (P.L. 1986, c. 113)	285	502	502
184	---	---	184	184	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	176	141	141
291	---	---	291	107	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	100	215	215
92	---	---	92	92	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	86	41	41
1,840	---	---	1,840	1,454	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	1,363	1,080	1,080
108	---	---	108	107	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	100	48	48
1,527	---	---	1,527	1,527	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	1,433	850	850
12,002	---	---	12,002	10,772	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	10,136	7,267	7,267
<i>Redemption:</i>								
---	---	---	---	---	Water Supply Bonds (P.L. 1981, c. 261)	---	365	365
---	---	---	---	---	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	---	205	205
440	---	---	440	440	Hazardous Discharge Bonds (P.L. 1986, c. 113)	460	650	650
165	---	---	165	165	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	170	220	220
155	---	---	155	155	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	160	250	250

DEBT SERVICE

Year Ending June 30, 2021						Year Ending June 30, 2023		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2022 Adjusted Approp.	Requested	Recommended
130	---	---	130	130	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	140	145	145
1,845	---	---	1,845	1,845	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	1,940	2,040	2,040
155	---	---	155	155	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	160	170	170
1,890	---	---	1,890	1,890	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	1,990	2,085	2,085
<u>12,735</u>	<u>---</u>	<u>---</u>	<u>12,735</u>	<u>12,735</u>	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	<u>13,370</u>	<u>14,205</u>	<u>14,205</u>
34,821	---	---	34,821	32,065	Total Appropriation, Department of Environmental Protection	32,069	30,980	30,980

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

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2021						Year Ending June 30, 2023		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2022 Adjusted Approp.	Requested	Recommended
407,314	---	-57,355	349,959	130,946	Interest on Bonds	237,018	193,060	193,060
<u>199,070</u>	<u>---</u>	<u>---</u>	<u>199,070</u>	<u>199,069</u>	Bond Redemption	<u>126,120</u>	<u>396,705</u>	<u>396,705</u>
606,384	---	-57,355	549,029	330,015	Total Appropriation	363,138	589,765	589,765
Distribution by Object								
<i>Interest:</i>								
360,000	---	-57,355	302,645	86,385	Payments on Future Bond Sales	33,762	---	---
11,493	---	---	11,493	11,493	Refunding Bonds (P.L. 1985, c. 74, as amended by P.L. 1992, c. 182)	5,338	1,657	1,657
28,337	---	---	28,337	28,337	Building our Future Bonds (P.L. 2012, c. 41)	26,882	17,864	17,864
2,752	---	---	2,752	---	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	---	2,503	2,503
4,732	---	---	4,732	4,731	Securing our Children's Future Bonds (P.L. 2018, c. 119)	4,732	4,732	4,732
---	---	---	---	---	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	166,304	166,304	166,304
<i>Redemption:</i>								
169,970	---	---	169,970	169,969	Refunding Bonds (P.L. 1985, c. 74, as amended by P.L. 1992, c. 182)	95,565	39,910	39,910
29,100	---	---	29,100	29,100	Building our Future Bonds (P.L. 2012, c. 41)	30,555	32,080	32,080
---	---	---	---	---	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	---	2,035	2,035
---	---	---	---	---	Securing our Children's Future Bonds (P.L. 2018, c. 119)	---	27,110	27,110
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	<u>---</u>	<u>295,570</u>	<u>295,570</u>
606,384	---	-57,355	549,029	330,015	Total Appropriation, Department of the Treasury	363,138	589,765	589,765

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.

641,205	---	-57,355	583,850	362,080	Grand Total, Debt Service	395,207	620,745	620,745
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