



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, as well as \$45 million within Interdepartmental Accounts to support 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, 2025					Year Ending June 30, 2027			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2026 Adjusted Approp.	Requested	Recom- mended	
120,739	17,506	-121,271	16,974	---	76,503	---	---	
---	246	---	246	---	---	---	---	
---	847	---	847	---	---	---	---	
---	10,235	---	10,235	642	---	---	---	
330,157	804,319	14,930	1,149,406	258,805	304,654	172,439	172,439	
---	6,634	---	6,634	332	---	---	---	
---	8,154	---	8,154	767	---	---	---	
3,000	4,504	---	7,504	606	---	---	---	
1,658,219	---	---	1,658,219	1,403,928	1,526,794	1,604,433	1,604,433	
1,458,219	---	---	1,458,219	1,203,928	1,326,794	1,404,433	1,404,433	
200,000	---	---	200,000	200,000	200,000	200,000	200,000	
---	1,200	---	1,200	1,200	---	---	---	
---	3,436	---	3,436	---	---	---	---	
157,129	243,018	-9,608	390,539	135,662	143,027	143,027	143,027	
2,269,244	1,100,099	-115,949	3,253,394	1,801,942	2,050,978	1,919,899	1,919,899	
2,069,244	1,100,099	-115,949	3,053,394	1,601,942	1,850,978	1,719,899	1,719,899	
200,000	---	---	200,000	200,000	200,000	200,000	200,000	
					Total Appropriation			
					<i>(From General Fund)</i>	1,850,978	1,719,899	1,719,899
					<i>(From Property Tax Relief Fund)</i>	200,000	200,000	200,000

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 \$60.7 billion, the debt limit is \$607 million before voter approval must be sought. The current level of outstanding general obligation debt is \$3.4 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 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, 2025. The outstanding debt as of that date was \$3.4 billion, with \$368.2 million of additional long-term debt authorized but unissued.

DEBT SERVICE (thousands of dollars)

Year Ending June 30, 2025						Year Ending June 30, 2027		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2026 Adjusted Approp.	Requested	Recom- mended
163,472	---	---	163,472	163,427	Interest on Bonds	144,234	126,180	126,180
410,755	---	---	410,755	410,755	Bond Redemption	384,900	403,010	403,010
574,227	---	---	574,227	574,182	Total Appropriation	529,134	529,190	529,190
1,143	---	---	1,143	1,142	Water Supply Bonds (P.L. 1981, c. 261)	1,145	1,142	1,142
329	---	---	329	327	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	331	329	329
1,215	---	---	1,215	1,213	Hazardous Discharge Bonds (P.L. 1986, c. 113)	673	666	666
507	---	---	507	506	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	315	317	317
324	---	---	324	323	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	329	330	330
165	---	---	165	165	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	---	---	---
2,697	---	---	2,697	2,696	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	387	386	386
192	---	---	192	191	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	---	---	---
2,512	---	---	2,512	2,511	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	792	792	792
18,378	---	---	18,378	18,347	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	6,135	6,129	6,129
39,128	---	---	39,128	39,128	Building our Future Bonds (P.L. 2012, c. 41)	11,323	11,323	11,323
6,046	---	---	6,046	6,045	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	6,044	6,045	6,045
39,714	---	---	39,714	39,713	Securing our Children's Future Bonds (P.L. 2018, c. 119)	39,781	39,853	39,853
461,877	---	---	461,877	461,875	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	461,879	461,878	461,878
574,227	---	---	574,227	574,182	Total Appropriation	529,134	529,190	529,190

**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.

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.

DEBT SERVICE

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, 2025					Year Ending June 30, 2027			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2026 Adjusted Approp.	Requested	Recommended
5,247	---	---	5,247	5,206	Interest on Bonds	4,437	4,266	4,266
<u>22,215</u>	---	---	<u>22,215</u>	<u>22,215</u>	Bond Redemption	<u>5,670</u>	<u>5,825</u>	<u>5,825</u>
27,462	---	---	27,462	27,421	Total Appropriation	10,107	10,091	10,091
Distribution by Object								
Special Purpose:								
<i>Interest:</i>								
763	---	---	763	762	Water Supply Bonds (P.L. 1981, c. 261)	755	747	747
119	---	---	119	117	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	116	109	109
515	---	---	515	513	Hazardous Discharge Bonds (P.L. 1986, c. 113)	498	491	491
84	---	---	84	83	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	74	65	65
237	---	---	237	236	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	230	227	227
5	---	---	5	5	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	---	---	---
467	---	---	467	466	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	387	386	386
7	---	---	7	6	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	---	---	---
232	---	---	232	231	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	152	132	132
2,818	---	---	2,818	2,787	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	2,225	2,109	2,109
<i>Redemption:</i>								
380	---	---	380	380	Water Supply Bonds (P.L. 1981, c. 261)	390	395	395
210	---	---	210	210	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	215	220	220
700	---	---	700	700	Hazardous Discharge Bonds (P.L. 1986, c. 113)	175	175	175
240	---	---	240	240	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	255	265	265
270	---	---	270	270	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	85	90	90
160	---	---	160	160	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	---	---	---
2,230	---	---	2,230	2,230	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	---	---	---
185	---	---	185	185	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	---	---	---
2,280	---	---	2,280	2,280	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	640	660	660

DEBT SERVICE

Year Ending June 30, 2025						Year Ending June 30, 2027		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2026 Adjusted Approp.	Requested	Recommended
15,560	---	---	15,560	15,560	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	3,910	4,020	4,020
27,462	---	---	27,462	27,421	Total Special Purpose	10,107	10,091	10,091
27,462	---	---	27,462	27,421	Total Appropriation, Department of Environmental Protection	10,107	10,091	10,091

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

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2025						Year Ending June 30, 2027		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2026 Adjusted Approp.	Requested	Recommended
158,225	---	---	158,225	158,221	Interest on Bonds	139,797	121,914	121,914
388,540	---	---	388,540	388,540	Bond Redemption	379,230	397,185	397,185
546,765	---	---	546,765	546,761	Total Appropriation	519,027	519,099	519,099
Distribution by Object								
Special Purpose:								
Interest:								
3,808	---	---	3,808	3,808	Building our Future Bonds (P.L. 2012, c. 41)	2,148	1,873	1,873
3,926	---	---	3,926	3,925	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	3,884	3,840	3,840
11,379	---	---	11,379	11,378	Securing our Children's Future Bonds (P.L. 2018, c. 119)	10,791	10,173	10,173
139,112	---	---	139,112	139,110	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	122,974	106,028	106,028
Redemption:								
35,320	---	---	35,320	35,320	Building our Future Bonds (P.L. 2012, c. 41)	9,175	9,450	9,450
2,120	---	---	2,120	2,120	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	2,160	2,205	2,205
28,335	---	---	28,335	28,335	Securing our Children's Future Bonds (P.L. 2018, c. 119)	28,990	29,680	29,680
322,765	---	---	322,765	322,765	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	338,905	355,850	355,850
546,765	---	---	546,765	546,761	Total Special Purpose	519,027	519,099	519,099
546,765	---	---	546,765	546,761	Total Appropriation, Department of the Treasury	519,027	519,099	519,099

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.

DEBT SERVICE

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.

574,227	---	---	574,227	574,182	Grand Total, Debt Service	529,134	529,190	529,190
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