



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 \$86.6 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, 2020					Year Ending June 30, 2022			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2021 Adjusted Approp.	Requested	Recom- mended	
58,486	105	-58,401	190	---	56,268	---	---	
500	530	40	1,070	344	---	---	---	
---	4,049	3,832	7,881	1,533	---	---	---	
---	135	---	135	23	---	---	---	
209,019	154,092	-3,984	359,127	68,099	276,192	152,169	152,169	
---	4,158	---	4,158	402	---	---	---	
---	1,088	3,861	4,949	225	---	---	---	
---	1,501	3,859	5,360	1,737	---	---	---	
---	1,891	1,442	3,333	1,253	---	---	---	
1,412,200	---	---	1,412,200	1,412,198	1,496,095	1,577,190	1,577,190	
1,212,200	---	---	1,212,200	1,212,198	1,296,095	1,377,190	1,377,190	
200,000	---	---	200,000	200,000	200,000	200,000	200,000	
---	---	300	300	---	---	---	---	
147,021	57,402	-3,185	201,238	141,100	137,541	204,749	204,749	
115,757	57,402	-3,185	169,974	109,893	106,277	173,485	173,485	
31,264	---	---	31,264	31,207	31,264	31,264	31,264	
1,827,226	224,951	-52,236	1,999,941	1,626,914	1,966,096	1,934,108	1,934,108	
1,595,962	224,951	-52,236	1,768,677	1,395,707	1,734,832	1,702,844	1,702,844	
231,264	---	---	231,264	231,207	231,264	231,264	231,264	
					Total Appropriation	1,966,096	1,934,108	1,934,108
					<i>(From General Fund)</i>	1,734,832	1,702,844	1,702,844
					<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 \$44.8 billion, the debt limit is \$448 million before voter approval must be sought. The current level of outstanding general obligation debt is \$5.1 billion, including the COVID-19 General Obligation Emergency Bonds authorized in July of 2020. 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 \$395.2 million for fiscal year 2022. This projected level of debt service for fiscal 2022 reflects \$361.4 million for the payment of principal and interest on bonds currently outstanding and \$33.8 million for new bond issues.

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, 2020. The outstanding debt as of that date is \$1.6 billion. Also, there is \$768.2 million of additional long-term debt authorized but unissued.

DEBT SERVICE (thousands of dollars)

Orig. & (S)Supple- mental	Year Ending June 30, 2020					Year Ending June 30, 2022		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2021 Adjusted Approp.	Requested	Recom- mended
67,361	---	---	67,361	67,355	Interest on Bonds	424,620	250,697	250,697
277,025	---	---	277,025	277,025	Bond Redemption	216,585	144,510	144,510
344,386	---	---	344,386	344,380	Total Appropriation	641,205	395,207	395,207
11	---	---	11	11	Clean Waters Bonds (P.L. 1976, c. 92)	---	---	---
1,040	---	---	1,040	1,040	Water Supply Bonds (P.L. 1981, c. 261)	551	---	---
243,699	---	---	243,699	243,698	Refunding Bonds (P.L. 1985, c. 74, as amended by P.L. 1992, c. 182)	181,463	100,903	100,903
63	---	---	63	63	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	---	---	---
748	---	---	748	748	Hazardous Discharge Bonds (P.L. 1986, c. 113)	1,151	745	745
423	---	---	423	422	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	446	260	260
525	---	---	525	525	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	349	346	346
562	---	---	562	562	Green Acres, Clean Water, Farmland and Historic Preservation Bonds (P.L. 1992, c. 88)	---	---	---
224	---	---	224	223	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	222	226	226
3,434	---	---	3,434	3,434	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	3,685	3,303	3,303
1,425	---	---	1,425	1,425	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	263	260	260
10,667	---	---	10,667	10,667	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	3,417	3,423	3,423
23,504	---	---	23,504	23,503	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	24,737	23,506	23,506
57,433	---	---	57,433	57,432	Building our Future Bonds (P.L. 2012, c. 41)	57,437	57,437	57,437
---	---	---	---	---	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	2,752	---	---

DEBT SERVICE

---	---	---	---	---	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
628	---	---	628	627	Payments on Future Bond Sales	360,000	33,762	33,762
344,386	---	---	344,386	344,380	Total Appropriation	641,205	395,207	395,207

**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.

DEBT SERVICE

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.

APPROPRIATIONS DATA
(thousands of dollars)

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

Orig. & (S)Supple- mental	Year Ending June 30, 2020				2021 Adjusted Approp.	Year Ending June 30, 2022	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		Requested	Recom- mended
15,891	---	---	15,891	15,888	17,306	13,679	13,679
<u>26,735</u>	<u>---</u>	<u>---</u>	<u>26,735</u>	<u>26,735</u>	<u>17,515</u>	<u>18,390</u>	<u>18,390</u>
42,626	---	---	42,626	42,623	34,821	32,069	32,069
					Interest on Bonds		
					Bond Redemption		
					Total Appropriation		
					Distribution by Object		
					Special Purpose:		
					Interest:		
1	---	---	1	1	Clean Waters Bonds (P.L. 1976, c. 92)	---	---
50	---	---	50	50	Water Supply Bonds (P.L. 1981, c. 261)	551	---
3	---	---	3	3	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	---	---
328	---	---	328	328	Hazardous Discharge Bonds (P.L. 1986, c. 113)	711	285
200	---	---	200	200	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	184	176
123	---	---	123	122	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	291	100
27	---	---	27	27	Green Acres, Clean Water, Farmland and Historic Preservation Bonds (P.L. 1992, c. 88)	---	---
99	---	---	99	98	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	92	86
1,549	---	---	1,549	1,549	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	1,840	1,363
170	---	---	170	170	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	108	100
1,962	---	---	1,962	1,962	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	1,527	1,433
11,379	---	---	11,379	11,378	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	12,002	10,136
					Redemption:		
10	---	---	10	10	Clean Waters Bonds (P.L. 1976, c. 92)	---	---
990	---	---	990	990	Water Supply Bonds (P.L. 1981, c. 261)	---	---
60	---	---	60	60	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	---	---
420	---	---	420	420	Hazardous Discharge Bonds (P.L. 1986, c. 113)	440	460
325	---	---	325	325	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	165	170
300	---	---	300	300	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	155	160
535	---	---	535	535	Green Acres, Clean Water, Farmland and Historic Preservation Bonds (P.L. 1992, c. 88)	---	---
125	---	---	125	125	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	130	140
1,885	---	---	1,885	1,885	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	1,845	1,940
1,255	---	---	1,255	1,255	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	155	160

DEBT SERVICE

8,705	---	---	8,705	8,705	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	1,890	1,990	1,990
12,125	---	---	12,125	12,125	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	12,735	13,370	13,370
42,626	---	---	42,626	42,623	Total Appropriation, Department of Environmental Protection	34,821	32,069	32,069

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

Orig. & (S) Supplemental	Year Ending June 30, 2020					Year Ending June 30, 2022		
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2021 Adjusted Approp.	Requested	Recommended
51,470	---	---	51,470	51,467	Interest on Bonds	407,314	237,018	237,018
250,290	---	---	250,290	250,290	Bond Redemption	199,070	126,120	126,120
301,760	---	---	301,760	301,757	Total Appropriation	606,384	363,138	363,138
Distribution by Object								
<i>Interest:</i>								
15,000	---	---	628	627	Payments on Future Bond Sales	360,000	33,762	33,762
-14,372 ^S	---	---	21,119	21,118	Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	11,493	5,338	5,338
21,119	---	---	18,868	18,867	(From General Fund)	11,493	5,338	5,338
18,868	---	---	2,251	2,251	(From Property Tax Relief Fund)	---	---	---
2,251	---	---	29,723	29,722	Building our Future Bonds (P.L. 2012, c. 41)	28,337	26,882	26,882
29,723	---	---	---	---	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	2,752	---	---
---	---	---	---	---	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
---	---	---	---	---	<i>Redemption:</i>	---	---	---
222,580	---	---	222,580	222,580	Refunding Bonds (P.L.1985, c.74, as amended by P.L.1992, c.182)	169,970	95,565	95,565
195,960	---	---	195,960	195,960	(From General Fund)	169,970	95,565	95,565
26,620	---	---	26,620	26,620	(From Property Tax Relief Fund)	---	---	---
27,710	---	---	27,710	27,710	Building our Future Bonds (P.L. 2012, c. 41)	29,100	30,555	30,555
301,760	---	---	301,760	301,757	Total Appropriation, Department of the Treasury	606,384	363,138	363,138
272,889	---	---	272,889	272,886	(From General Fund)	606,384	363,138	363,138
28,871	---	---	28,871	28,871	(From Property Tax Relief Fund)	---	---	---

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.

344,386	---	---	344,386	344,380	Grand Total, Debt Service	641,205	395,207	395,207
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