

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4162**

**STATE OF NEW JERSEY**

DATED: JUNE 27, 2022

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 4162.

As amended, this bill adds \$5.150 billion from the General Fund to the “New Jersey Debt Defeasance and Prevention Fund,” and appropriates a total of \$2.9 billion from the fund to the New Jersey Schools Development Authority (SDA), \$814 million to the New Jersey Transit Corporation (NJT) and \$230 million to the Department of Transportation (DOT).

*Specific Debt Defeasance and Prevention Fund Appropriations*

The specific appropriations in the amended bill are intended to support various school and transportation capital projects. Of the \$1.9 billion appropriated to the SDA, \$1.550 billion is appropriated for school facilities projects, emergent needs, and capital maintenance in SDA districts and \$350 million is allocated for such projects in all other school districts. The \$814 million appropriated to NJT is allocated for capital improvements and maintenance at various NJT facilities. The \$230 million appropriated to the DOT allocated to support the design and construction of multiple projects supported by the Lincoln Tunnel Access Program, the reconstruction of the I-295 Direct Connect Wall, and the engineering design of capital projects identified by the DOT Commissioner that are subject to the multi-project solicitation initiated by the DOT and the Federal Highway Administration.

*Future Debt Defeasance and Prevention Fund Appropriations*

As amended, the bill authorizes balances remaining the fund, including amounts previously credited to the fund by P.L.2021, c.125, to be appropriated for the purpose of retiring and defeasing State debt and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt.

The amended bill also establishes a process by which the Executive and Legislative branches of State government will determine future appropriations from the fund for capital projects. The bill requires the Joint Budget Oversight Committee (JBOC) to meet at least once each calendar quarter to consider appropriations for capital projects on lists provided by the State Treasurer. JBOC may appropriate funding for all, some, or none of the projects

recommended by the State Treasurer. If JBOC fails to meet during a given calendar quarter, any recommendation submitted to JBOC more than 45 days prior to the last day of the calendar quarter is deemed approved.

COMMITTEE AMENDMENTS:

The committee amendments:

- Increase, from \$1.3 billion to \$5.150 billion, the amount credited from the General Fund to the “New Jersey Debt Defeasance and Prevention Fund”;
- Appropriate \$1.9 billion from the “New Jersey Debt Defeasance and Prevention Fund” to the SDA;
- Allocate \$1.550 billion from the amount appropriated to the SDA to be allocated for capital projects in SDA districts;
- Allocate \$350 million from the amount appropriated to the SDA for capital projects in non-SDA school districts;
- Appropriate \$230 million from the “New Jersey Debt Defeasance and Prevention Fund” to the DOT for various transportation capital projects;
- Appropriate \$814 million from the “New Jersey Debt Defeasance and Prevention Fund” to the NJT for capital improvements and maintenance at various NJT facilities;
- Authorize the appropriation of remaining balances in the “New Jersey Debt Defeasance and Prevention Fund” to retire State debt or to fund capital projects on a pay-as-you-go basis; and
- Establish a process by which the Joint Budget Oversight Committee may approve future appropriations from the “New Jersey Debt Defeasance and Prevention Fund” for capital projects.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.