

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2944

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2944.

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). The fund was established in 2021 for the purpose of: retiring and defeasing State debt, including general obligation bonds and appropriations-backed bonds, and the costs thereof; and funding capital projects on a pay-as-you-go basis, rather than issuing additional State debt.

Specific Debt Defeasance and Prevention Fund Appropriations

The specific appropriations in the 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 non-SDA 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

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 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.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.