SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

# SENATE, No. 3212

# STATE OF NEW JERSEY

DATED: DECEMBER 10, 2020

The Senate Environment and Energy Committee favorably reports Senate Bill No. 3212.

This bill would amend P.L.2020, c.49 to alter the list of environmental infrastructure projects approved by the Legislature for long-term funding for Fiscal Year 2021 (FY2021) to include new projects and modify the estimated loan amounts for certain projects.

The bill would also provide that loans for projects that utilize federal funds raised pursuant to the federal "Water Infrastructure Finance and Innovation Act of 2014" (WIFIA) are subject to terms and conditions regulating the blending of federal and other funds that are consistent with certain provisions of the FY2021 financial plan of the New Jersey Infrastructure Bank (NJIB), even if those projects began in earlier fiscal years. In addition, the bill would authorize the Department of Environmental Protection (DEP) to transfer up to $25 million to the NJIB from a $60 million capital construction appropriation in the FY2021 annual appropriations act, P.L.2020, c.97, to invest, provide debt service reserve or guarantee, or pay interest on behalf of a sponsor of a drinking water environmental infrastructure project.

In July 2020, P.L.2020, c.49 was enacted into law, which appropriated funds to the DEP for the purpose of financing approximately $1.167 billion in Storm Sandy and other environmental infrastructure projects through the NJIB in FY2021. Under this bill and P.L.2020, c.49, approximately $2.039 billion would be made available for environmental infrastructure projects through the NJIB in FY2021.

Under current law, on or before May 15 each year, the NJIB is required to submit a list of environmental infrastructure projects, known as the project eligibility list, to be approved by the Legislature for long-term funding. The list is introduced in the Legislature in the form of an appropriation bill. For FY2021, this bill was enacted as P.L.2020, c.49. In addition, current law provides the NJIB with the authority to submit an additional project eligibility list, by October 15 of each year, for approval by the Legislature. This bill would amend the original project eligibility list to reflect the changes in the additional list submitted to the Legislature by the NJIB. Funding

sources for NJIB project loans include federal capitalization grants, State bond issue proceeds, State match, various prior legislative appropriations, loan repayments, interest earnings, and market rate loans made by the NJIB.