



## **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 \$59.1 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.

In addition to the amounts budgeted from State funds, the fiscal year 2026 budget proposes the use of \$247.1 million for non-recurring capital investments from the Debt Defeasance and Prevention Fund, including \$25.1 million for projects recommended by the Commission on Capital Budgeting and Planning in February 2025.

## CAPITAL CONSTRUCTION

### Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2024					Year Ending June 30, 2026		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2025 Adjusted Approp.	Requested	Recom- mended
---	7,703	9,803	17,506	---	255,849	---	---
---	301	---	301	55	---	---	---
---	847	---	847	---	---	---	---
---	12,271	-942	11,329	1,145	---	---	---
---	40	-40	---	---	---	---	---
281,532	665,645	17,710	964,887	243,150	429,330	169,571	169,571
---	10,072	---	10,072	3,438	---	---	---
---	9,139	-558	8,581	433	---	---	---
---	7,276	-1,158	6,118	1,614	---	---	---
---	1,138	3,413	4,551	1,115	---	---	---
1,578,017	---	---	1,578,017	1,531,921	---	---	---
1,378,017	---	---	1,378,017	1,331,921	1,658,219	1,526,794	1,526,794
200,000	---	---	200,000	200,000	1,458,219	1,326,794	1,326,794
---	142	1,058	1,200	---	200,000	200,000	200,000
208,536	202,316	-11,664	399,188	148,723	---	---	---
177,272	202,316	-11,664	367,924	117,647	143,029	157,127	157,127
31,264	---	---	31,264	31,076	143,029	157,127	157,127
---	---	---	---	---	---	---	---
2,068,085	916,890	17,622	3,002,597	1,931,594	---	---	---
1,836,821	916,890	17,622	2,771,333	1,700,518	2,486,427	1,853,492	1,853,492
231,264	---	---	231,264	231,076	2,286,427	1,653,492	1,653,492
---	---	---	---	---	200,000	200,000	200,000
Total Appropriation					2,486,427	1,853,492	1,853,492
(From General Fund)					2,286,427	1,653,492	1,653,492
(From Property Tax Relief Fund)					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 \$58.1 billion, the debt limit is \$581 million before voter approval must be sought. The current level of outstanding general obligation debt is \$3.8 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 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 \$529.1 million for fiscal year 2026. This projected level of debt service provides funding for the payment of principal and interest on bonds currently outstanding and reflects the use of the New Jersey Debt Defeasance and Prevention Fund (P.L.2021, c.125) to reduce the cost of existing bonds and avoid the issuance of new bonds.

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, 2024. The outstanding debt as of that date was \$3.8 billion, with \$368.2 million of additional long-term debt authorized but unissued.

## DEBT SERVICE (thousands of dollars)

Year Ending June 30, 2024						Year Ending June 30, 2026		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2025 Adjusted Approp.	Requested	Recom- mended
189,564	---	---	189,564	173,579	Interest on Bonds	163,472	144,234	144,234
392,185	---	---	392,185	374,345	Bond Redemption	410,755	384,900	384,900
581,749	---	---	581,749	547,924	Total Appropriation	574,227	529,134	529,134
966	---	---	966	966	Water Supply Bonds (P.L. 1981, c. 261)	1,143	1,145	1,145
234	---	---	234	233	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	329	331	331
1,207	---	---	1,207	603	Hazardous Discharge Bonds (P.L. 1986, c. 113)	1,215	673	673
498	---	---	498	284	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	507	315	315
366	---	---	366	323	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	324	329	329
183	---	---	183	5	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	165	---	---
3,153	---	---	3,153	1,139	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	2,697	387	387
219	---	---	219	6	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	192	---	---
2,935	---	---	2,935	845	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	2,512	792	792
21,634	---	---	21,634	9,286	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	18,378	6,135	6,135
49,940	---	---	49,940	33,822	Building our Future Bonds (P.L. 2012, c. 41)	39,128	11,323	11,323
5,068	---	---	5,068	5,067	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	6,046	6,044	6,044

## DEBT SERVICE

Year Ending June 30, 2024						Year Ending June 30, 2026		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2025 Adjusted Approp.	Requested	Recom- mended
33,470	---	---	33,470	33,470	Securing our Children’s Future Bonds (P.L. 2018, c. 119)	39,714	39,781	39,781
461,876	---	---	461,876	461,875	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	461,877	461,879	461,879
581,749	---	---	581,749	547,924	Total Appropriation	574,227	529,134	529,134

### 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.

## **DEBT SERVICE**

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### **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.

### **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, 2024						Year Ending June 30, 2026		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2025 Adjusted Approp.	Requested	Recom- mended
10,070	---	---	10,070	5,110	Interest on Bonds	5,247	4,437	4,437
<u>21,325</u>	<u>---</u>	<u>---</u>	<u>21,325</u>	<u>8,580</u>	Bond Redemption	<u>22,215</u>	<u>5,670</u>	<u>5,670</u>
<b>31,395</b>	<b>---</b>	<b>---</b>	<b>31,395</b>	<b>13,690</b>	<b>Total Appropriation</b>	<b>27,462</b>	<b>10,107</b>	<b>10,107</b>
<b>Distribution by Object</b>								
Special Purpose:								
Interest:								
591	---	---	591	591	Water Supply Bonds (P.L. 1981, c. 261)	763	755	755
24	---	---	24	23	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	119	116	116
532	---	---	532	438	Hazardous Discharge Bonds (P.L. 1986, c. 113)	515	498	498
136	---	---	136	93	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	84	74	74
233	---	---	233	199	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	237	230	230
33	---	---	33	5	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	5	---	---
1,013	---	---	1,013	479	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	467	387	387
39	---	---	39	6	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	7	---	---
745	---	---	745	260	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	232	152	152
6,724	---	---	6,724	3,016	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	2,818	2,225	2,225
Redemption:								
375	---	---	375	375	Water Supply Bonds (P.L. 1981, c. 261)	380	390	390
210	---	---	210	210	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	210	215	215
675	---	---	675	165	Hazardous Discharge Bonds (P.L. 1986, c. 113)	700	175	175
230	---	---	230	230	New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	240	255	255
265	---	---	265	85	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	270	85	85

# DEBT SERVICE

Year Ending June 30, 2024						Year Ending June 30, 2026		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2025 Adjusted Approp.	Requested	Recom- mended
150	---	---	150	---	Green Acres, Farmland and Historic Preservation and Blue Acres Bonds (P.L. 1995, c. 204)	160	---	---
2,140	---	---	2,140	660	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70)	2,230	---	---
180	---	---	180	---	Dam, Lake, Stream, Water Resources, and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	185	---	---
2,190	---	---	2,190	585	Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds (P.L. 2007, c. 119)	2,280	640	640
<u>14,910</u>	<u>---</u>	<u>---</u>	<u>14,910</u>	<u>6,270</u>	Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds (P.L. 2009, c. 117)	<u>15,560</u>	<u>3,910</u>	<u>3,910</u>
31,395	---	---	31,395	13,690	<i>Total Special Purpose</i>	27,462	10,107	10,107
<b>31,395</b>	<b>---</b>	<b>---</b>	<b>31,395</b>	<b>13,690</b>	<b>Total Appropriation, Department of Environmental Protection</b>	<b>27,462</b>	<b>10,107</b>	<b>10,107</b>

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

### APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2024						Year Ending June 30, 2026		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2025 Adjusted Approp.	Requested	Recom- mended
179,494	---	---	179,494	168,469	Interest on Bonds	158,225	139,797	139,797
<u>370,860</u>	<u>---</u>	<u>---</u>	<u>370,860</u>	<u>365,765</u>	Bond Redemption	<u>388,540</u>	<u>379,230</u>	<u>379,230</u>
<b>550,354</b>	<b>---</b>	<b>---</b>	<b>550,354</b>	<b>534,234</b>	<b>Total Appropriation</b>	<b>546,765</b>	<b>519,027</b>	<b>519,027</b>
					<b>Distribution by Object</b>			
					Special Purpose:			
					<i>Interest:</i>			
16,260	---	---	16,260	5,237	Building our Future Bonds (P.L. 2012, c. 41)	3,808	2,148	2,148
2,988	---	---	2,988	2,987	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	3,926	3,884	3,884
5,765	---	---	5,765	5,765	Securing our Children's Future Bonds (P.L. 2018, c. 119)	11,379	10,791	10,791
154,481	---	---	154,481	154,480	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	139,112	122,974	122,974
					<i>Redemption:</i>			
33,680	---	---	33,680	28,585	Building our Future Bonds (P.L. 2012, c. 41)	35,320	9,175	9,175
2,080	---	---	2,080	2,080	New Jersey Library Construction Bonds (P.L. 2017, c. 149)	2,120	2,160	2,160
27,705	---	---	27,705	27,705	Securing our Children's Future Bonds (P.L. 2018, c. 119)	28,335	28,990	28,990
<u>307,395</u>	<u>---</u>	<u>---</u>	<u>307,395</u>	<u>307,395</u>	COVID-19 General Obligation Emergency Bonds (P.L. 2020, c. 60)	<u>322,765</u>	<u>338,905</u>	<u>338,905</u>
550,354	---	---	550,354	534,234	<i>Total Special Purpose</i>	546,765	519,027	519,027
<b>550,354</b>	<b>---</b>	<b>---</b>	<b>550,354</b>	<b>534,234</b>	<b>Total Appropriation, Department of the Treasury</b>	<b>546,765</b>	<b>519,027</b>	<b>519,027</b>



**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.

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<b>581,749</b>	<b>---</b>	<b>---</b>	<b>581,749</b>	<b>547,924</b>	<b>Grand Total, Debt Service</b>	<b>574,227</b>	<b>529,134</b>	<b>529,134</b>
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