
NEW JERSEY REPUBLICAN STATE : SUPREME COURT OF NEW JERSEY
COMMITTEE a/k/a the NJGOP; : DOCKET NO.: M-1291
DECLAN O'SCANLON; HAL : September Term, 2019
WIRTHS; LISA NATALE- : 084731
CONTESSA; and ILEANA : CIVIL ACTION
SCHIRMER, :
 :
 :
 Plaintiffs, : On Certification from:
 :
 v. : SUPERIOR COURT OF NEW JERSEY
 : MERCER COUNTY, LAW DIVISION
 : DOCKET NO. MER-L-1263-20
 PHILIP D. MURPHY, in his :
 official capacity as the :
 GOVERNOR of the STATE OF :
 NEW JERSEY, :
 :
 Defendant.

DEFENDANT'S APPENDIX

VOLUME 1 OF 6

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_____))
NEW JERSEY REPUBLICAN STATE)	SUPREME COURT OF NEW JERSEY
COMMITTEE a/k/a the NJGOP;)	DOCKET NO. 084731
DECLAN O' SCANLON; HAL WIRTHS;))
LISA NATALE-CONTESSA; and))
ILEANA SCHIRMER,))
))
Plaintiffs,)	<u>Civil Action</u>
))
v.))
))
PHILIP D. MURPHY, in his)	CERTIFICATION OF
Official Capacity as Governor)	ELIZABETH MAHER MUOIO
of New Jersey,)	IN SUPPORT OF THE STATE
))
Defendant.))
_____))

Elizabeth Maher Muoio, of full age, upon her oath certifies and says:

1. I am the Treasurer of the State of New Jersey ("State"), and I submit this Certification in support of the Defendant, Governor Philip D. Murphy.

2. As the State Treasurer, I am involved in the formulation of the Governor's Annual Budget Message and the Annual Appropriations Act for the State, and am responsible for the administration of the State's fiscal matters pursuant to N.J.S.A. 52:18A-1 to -49 and N.J.S.A. 52:27B-1 to -85. I am aware of the general practices, procedures, and information pertaining to the administration and financial operations of the State.

3. In preparing this Certification, I have relied upon my knowledge and experience as State Treasurer, including, but not

limited to, the following sources of information: the Fiscal Year 2020 Budget, available at <http://www.state.nj.us/treasurer/omb>; the Fiscal Year 2020 Appropriations Act, L. 2019, c. 150; the Governor's Fiscal Year 2021 Budget Message delivered on February 25, 2020 available at https://www.nj.gov/governor/news/addresses/approved/20200225_budget.shtml; the COVID-19 Fiscal Mitigation Act, L. 2020, c. 19; the Fiscal Year 2020 Appropriations Law Extension Act, L. 2020, c. 43; Executive Order 73 (Murphy June 30, 2019) ("EO73"); Executive Order 102 (Murphy Feb. 3, 2020) ("EO102"); Executive Order 103 (Murphy Mar. 9, 2020) ("EO103"); Executive Order 107 (Murphy Mar. 21, 2020) ("EO107"); Executive Order 137 (Murphy May 4, 2020) ("EO137"); Ben Casselman, The U.S. Economy's Contraction in the Second Quarter was the Worst on Record, N.Y. Times, July 30, 2020, <https://www.nytimes.com/live/2020/07/30/business/stock-market-today-coronavirus#the-us-economys-contraction-in-the-second-quarter-was-the-worst-on-record>; an Act to Amend New Jersey Statute 54:10A-5.41, L. 2018, c. 48, § 1; my Opening Statement Before The New Jersey Senate Budget Committee on June 1, 2020, attached hereto as Exhibit A; my Opening Statement to the Assembly Budget Committee on May 28, 2020, attached hereto as Exhibit B; my Opening Statement before the Assembly Budget Committee on June 1, 2020 (Hearing on A.4175 "New Jersey COVID-19 Emergency Bond Act") attached hereto as Exhibit C; the Treasurer's Report on the Financial Condition of the State Budget for Fiscal Years 2020 and 2021 delivered on May 22, 2020 to the Legislature pursuant to L. 2020, c. 19 ("Report"), a true and correct copy of which Report is attached hereto as Exhibit D; the May 2020 Revenue Report, a true and correct copy of which Report is attached hereto as Exhibit E; the June 2020 Revenue Report, a true and correct copy of which Report is attached hereto as Exhibit F; the "New Jersey Medical Education Facilities Bond Act of 1977," L. 1977, c. 235, a true and correct copy of which is attached hereto as Exhibit G; the "New Jersey Public Buildings Construction Bond Act of 1968," L. 1968, c. 128, a true and correct copy of which is attached hereto as Exhibit H; an Act appropriating funds from the "Public Buildings Construction Fund," L. 1969, c. 13, a true and correct copy of which is attached hereto as Exhibit I; the "New Jersey Green Acres Bond Act of 1983," L. 1983, c. 354, a true and correct copy of which is attached hereto as Exhibit J; an Act appropriating funds from the "1983 New Jersey Green Acres Fund," L. 1984, c. 224, a true and correct copy of which is attached hereto as Exhibit K; the Fiscal Year 2016 Appropriations Act, L. 2015, c. 63, a true and correct copy of relevant portions of which are attached hereto as Exhibit L; the Comprehensive Annual Financial Report ("CAFR") for Fiscal Year 2016, a true and correct

copy of relevant portions of which are attached hereto as Exhibit M; the Governor's Fiscal Year 2018 Budget Message, a true and correct copy of relevant portions of which are attached hereto as Exhibit N; the Fiscal Year 2018 Appropriations Act, L. 2017, c. 63, a true and correct copy of relevant portions of which are attached hereto as Exhibit O; the CAFR for Fiscal Year 2018, a true and correct copy of relevant portions of which are attached hereto as Exhibit P; the Governor's Fiscal Year 2020 Budget Message, a true and correct copy of relevant portions of which are attached hereto as Exhibit Q; and a Comparison of Revenue Shortfalls under COVID-19 and Prior Recessions, a true and correct copy of which is attached hereto as Exhibit R.

I. The Annual Appropriations Enactment is a Public, Transparent Process that Abides Necessary Checks and Balances between Co-Equal Branches of the Government.

4. Preparing the budget for the Governor's Budget Message ("Governor's Budget Message" or "GBM") in February and enacting an appropriations act is a year-long, routine, and publicly transparent process with many levels of review, and a checks and balances system between the legislative and executive branches of government.

5. Assisting the Governor in preparing his annual budget recommendations are numerous full-time staff in the Department of the Treasury ("Treasury"), including the Office of Management and Budget ("OMB"), the Office of Revenue and Economic Analysis ("OREA"), the Division of Pensions and Benefits, and knowledgeable staff in all of the departments and agencies of State government.

6. Implementation of the budget process usually begins during the month of August, eleven months prior to the fiscal year for which the appropriations act will be effective.

7. To formally initiate the process, in September the OMB provides salary projection reports, technical budget instructions, and general guidance, including preliminary draft budgets to the departments and agencies. This enables them to best allocate resources anticipated to be available in the coming fiscal year.

8. The ensuing planning process includes reviews of the Governor's program priorities, individual program performance and demand assumptions, and economic conditions and outlook.

9. Departments and agencies prepare deliberative planning documents that describe in detail (1) their ability to achieve their core missions at the preliminary budget level (including projections of anticipated enrollment growth in public assistance programs); (2) the agencies' priorities for reduction of current services, and the impact of such reductions on their core mission areas; and (3) priority packages representing either expansion of current programs or new programs to address new or evolving priorities in the upcoming fiscal year based on current and anticipated trends.

10. The OMB reviews the planning documents with the departments and agencies from November through mid-January in a forum that includes the Governor's and the Treasurer's office staffs. Based on these discussions, preliminary recommendations are developed.

11. During the months of January and February, the Director of OMB reviews the preliminary budget recommendations with the Treasurer, the Governor's staff, and the Governor.

12. Running parallel to this process is the review of capital spending requests, which has several stages.

13. All State departments requesting capital funding must submit a seven-year Capital Improvement Plan to the New Jersey Commission on Capital Budgeting and Planning ("Commission"). Each capital project request must include an operating impact statement.

14. The Commission, comprised of legislative and executive branch and public members, schedules public hearings, analyzes the capital requests, and recommends projects to the Governor.

15. The Governor, in turn, selects projects to be recommended in the annual GBM in February.

16. The Fiscal Year 2020 Appropriations Act was enacted on June 30, 2019. L. 2019, c. 150.

17. The arrival of the coronavirus in New Jersey approximately eight (8) months into the fiscal year completely overturned the State's budget.

II. The Onslaught of the Coronavirus Pandemic Immediately Overwhelmed the State's Economy.

18. Unlike previous fiscal crises like the stock market crash of the Great Depression, the bursting of the dotcom bubble in 2000 or the subprime mortgage lending of the Great Recession, the economic crisis facing New Jersey was entirely unforeseen, unimagined, and unstoppable. It is the direct result of coronavirus disease 2019 ("COVID-19" or "coronavirus"), a highly contagious and, particularly for the elderly and those with compromised immune systems, often fatal respiratory disease.

19. In December 2019, the coronavirus erupted in Wuhan, China, and quickly spread like wildfire throughout the world. The coronavirus gained national attention in February 2020 when reports emerged that the disease had infected residents and staff members of a long-term health care facility located in King County, Washington.

20. On February 3, 2020, prior to the identification of any known cases of COVID-19 in New Jersey, the Governor established a Coronavirus Task Force to monitor developments in the United States and around the world and take preparatory actions to safeguard New Jersey residents.

21. Right before the onset of the coronavirus pandemic, on February 25, 2020, the Governor issued his annual Governor's Budget Message. The GBM forecast improved revenue growth for Fiscal Year 2020 ("FY20") and, along with some tax policy increases, continued revenue growth for Fiscal Year 2021 ("FY21"). The GBM was based, thus, on a pre Covid-19 economy which had been quite robust for several years and was anticipated to continue in that direction.

22. New Jersey reported its first case of the coronavirus on March 4, 2020. Once the virus took hold in the State, the number of people infected, and the number of resulting deaths, increased at an alarming and unremitting rate. Before long, New Jersey was second only to New York in the number of reported cases and deaths from the coronavirus.

23. On March 9, 2020, the Governor declared a public health emergency and a state of emergency as a result of the outbreak of COVID-19 in the State.

24. Beginning on March 10, 2020, the legislative budget committees convened public hearings for the purpose of receiving testimony about the Governor's recommended budget from interested entities and individuals. At those hearings, dozens of advocates requested additional funding for a variety of unmet needs in various areas including education, health care, transportation infrastructure, child services, mental health, addiction services, and many others.

25. The pandemic not only caused a public health emergency, but a fiscal emergency. In a necessary attempt to mitigate the community spread of an exponentially increasing virus, on March 21, 2020, the Governor issued a "stay-at home" order and also ordered the closure of all non-essential retail businesses.

26. By the end of April 2020, unemployment had surged to a record high, payrolls had dropped by historic numbers, and a decade of job growth was wiped out in a single month. Small businesses suffered huge financial setbacks and were forced to furlough or lay-off workers. In New Jersey, the second wealthiest state in the nation, the lines were miles-long at foodbanks, which were distributing record-breaking amounts of food to unemployed residents.

27. In one fell swoop, the coronavirus pandemic toppled all revenue forecasts. As a direct consequence of the coronavirus pandemic and the actions taken to combat its health-care and economic devastation, the State is confronting a significant, severe, and unanticipated revenue shortfall.

28. Following deep and painful budgetary cuts necessitated by revenue decline precipitated by the Great Recession, the annual appropriations act has emphasized essential State funding priorities and obligations, which cannot readily be reduced or altogether eliminated without triggering immediate and potentially far-reaching impacts on New Jersey residents.

29. In fact, the vast majority of appropriations in recent years are used to meet the State's school funding and long-term structural obligations.

30. Under the FY20 appropriations act as enacted, for example, less than 10% of budgeted funds supported Executive Branch operations, which include human services, mental health institutions, children and families, veterans' homes, adult

prisons, juvenile facilities, State police, and law enforcement. By contrast, over 70% of budgeted funds were appropriated for distribution to non-State entities as State aid, including education aid, municipal aid, support for county colleges, and school construction debt (more than \$16 billion or 43% of appropriated funds), or as Grants-in-aid, including property tax relief programs, NJ FamilyCare, pharmaceutical assistance, nursing homes, and support for higher education (more than \$11 billion or 28% of appropriated funds). If drastic budget cuts are made, the responsibility for providing critical programs and services will fall to the municipalities, whose workforces include thousands of essential public workers, including teachers, police, and firefighters.

31. Some departments, including Children and Families and Human Services, are subject to court monitors, consent decrees, and pending litigation involving constitutional issues that effectively limit or preclude the possibility of major cuts implicating areas such as foster care and child welfare.

32. The remainder of the budget is dedicated to operations of the Legislature and the Judiciary (approximately 2.3%), debt service other than school construction (7.6%), and State employee benefits, rent, and utilities (8%). Against this backdrop, it is clear that traditional belt-tightening on State staffing, operations, and expenses alone will not even begin to address the billions of dollars in reductions required to offset the State's lost revenues.

33. The cost of responding to the health-care and economic crisis caused by the COVID-19 pandemic completely devastated the State's budget. In a crucial effort to salvage the remnants of what had been a stable economy at the beginning of the fiscal year and to access federal financial assistance offered through the Federal Reserve's Municipal Liquidity Facility, the Legislature enacted the "New Jersey COVID-19 Emergency Bond Act" ("Emergency Bond Act"), L. 2020, c. 60.

III. Due to COVID-19, Revenues Have Fallen Off a Cliff.

34. The COVID-19 pandemic has created a global economic crisis that the world has not experienced since the Great Depression nearly a century ago, and a health crisis not witnessed since the 1918 Spanish Flu pandemic. A comparison of these pandemic-caused revenue shortfalls to the revenues shortfalls experienced during

the dotcom recession and the Great Recession underscores the severity of the present crisis. During the dotcom recession, the FY02 shortfall between the original GBM forecast and the Appropriations Act was approximately \$2.299 billion, or -10.1%. In the two-year period of the Great Recession, the combined shortfall for FY08 and FY09 was approximately \$4.348 billion (-10.7% in FY08 and -3.0% in FY09). At the time the Report was prepared, the revenue shortfall for FY21 was projected to be \$7.207 billion, or -17.5%.

35. There is no longer any doubt that both the national and state economies will suffer a recession in 2020. Initial estimates from early May 2020 show that real GDP growth for the United States during the first quarter of 2020 declined by 4.8% on an annualized basis. During the second quarter, GDP fell by 32.9% on an annualized basis, a rate that "was unprecedented in its speed and breathtaking in its severity." Ben Casselman, The U.S. Economy's Contraction in the Second Quarter was the Worst on Record, N.Y. Times, July 30, 2020, <https://www.nytimes.com/live/2020/07/30/business/stock-market-today-coronavirus#the-us-economys-contraction-in-the-second-quarter-was-the-worst-on-record>. The dramatic fall in GDP was one of the steepest in modern American history, comparable to the collapse that occurred during the Great Depression and the demobilization after World War II. Ibid. Only time will tell just how severe and how long lasting the decline will be. However, the May 2020 projections indicate that real GDP will not return to pre-COVID-19 levels until mid-2022 at the earliest.

36. An analysis of recent State-level economic data indicates that New Jersey's recession and recovery will largely mirror the national trends, signaling that it will take two or more years before the State economic output is restored to last year's levels.

37. As a result of the mitigation efforts taken by the State to contain the coronavirus, the State was able to relax some of the social-distancing restrictions. Residents may nonetheless delay spending until they have repaid arrearages on rent, utility bills, and other debts. Consequently, although some businesses have been able to re-open, demand for their goods and services has decreased. Because of the safety restrictions imposed on businesses that are allowed to reopen, revenues will continue to decline. Businesses are also confronting the need to repay several months' worth of back-rent and supplier invoices. There also

exists the possibility of re-closures of businesses and facilities based on a potential resurgence of the coronavirus in New Jersey.

38. The OREA consists of a staff of economists and research professionals who examine economic and financial data to provide projections and analyses that are used in formulating the GBM. The OREA also monitors the State's fiscal performance throughout the fiscal year in comparison to revenue projections.

39. The OREA has undertaken an in-depth analysis of the financial impact of the COVID-19 pandemic on the State's economy. The OREA analysis indicates that the COVID-19 pandemic caused a massive decline in anticipated Fiscal Year 2020 ("FY20") and Fiscal Year 2021 ("FY21") tax and non-tax revenue, including for the period from July 1, 2020 to September 30, 2020 ("extended-FY20"). The OREA forecasts that follow are reflected in the Report and the May 2020 and June 2020 Revenue Reports. They are based on the best information available at the time the analyses were prepared.

A. Revenues Declined Precipitously in the Three-Month Period After the Coronavirus Struck New Jersey.

40. The OREA analysis confirms that forecasted revenues for FY20 and FY21 have derailed as a consequence of the rapid, severe, and unexpected onset of COVID-19.

41. April: Tax revenue collection figures for April 2020 provide a snapshot of just how swiftly and sharply the COVID-19 pandemic shook the New Jersey economy:

- a. Total collections fell \$3.5 billion below April of 2019, down 59.7%.
- b. Sales Tax collections were 13.7% lower than a year ago.
- c. Employer withholding fell about 7.0% in comparison to the comparable weeks in April 2019.
- d. Gross Income Tax ("GIT") and Corporate Business Tax ("CBT") filings plummeted by 60 to 90% as taxpayers took advantage of extended tax filing deadlines, which were extended by L. 2020, c. 19 from April 15, 2020 to July 15, 2020.

42. April 2020 Sales Tax collections reflect March sales. Because non-essential businesses were not ordered to close until the middle of March 2020, April collections, as bad as they were, do not fully capture the impact of the economic shutdown.

43. May: May collections reflect consumer behavior during April, the first full month of the COVID-19-based restrictions. May 2020 Sales Tax collections of \$544.1 million were down 29.0% below May 2019. In comparison, in June 2009, the worst Sales Tax collection month during the Great Recession, collections were down only 18.4%.

44. While May Sales Tax collections appear to show an unprecedented decline, collections may have been actually buoyed by the direct stimulus payments made by the federal government to individuals. The OREA noted that, because these payments reached their height in April and were essentially completed by the end of May, the stimulus effect will likely disappear in subsequent months if there is no additional federal assistance.

45. Prior to the onset of the coronavirus pandemic, GIT revenue collections through the end of March were growing by 7.1%. In contrast, GIT posted May collections of \$680.8 million, 0.5% below last May.

46. In general, a comparison of the collections for May 2020 with May 2019 highlight how the State's finances continued to collapse due to the coronavirus pandemic:

- a. Total collections fell \$331.2 million below May of 2019, down 13.5%.
- b. From the beginning of the fiscal year to the end of May 2020, GIT collections of \$11.803 billion were down 14.2%.
- c. CBT collections in May 2020 were 31.0% below May 2019, while Year-to-Date collections of \$2.821 billion were 13.0% below last year's collections. Although some declines were consistent with the scheduled 1% reduction in the surtax on CBT taxpayers having New Jersey allocated taxable income that exceeded \$1 million in privilege periods beginning on or after January 1, 2020 (see

L. 2018, c.48, § 1), they were enhanced by the economic downturn due to the COVID-19 pandemic.

- d. Motor Fuels Tax revenues fell 58.8%.
- e. Petroleum Products Gross Receipts Tax revenues dropped by 57.4% compared to the same month last year.

47. June: Comparing June 2020 with June 2019 collections confirms that the coronavirus pandemic continued to wreak havoc on the State's economy:

- a. For the fiscal Year-to-Date, collections totaled \$29.784 billion and were \$3.0 billion, or 9.2% lower than the same period last year.
- b. Collections for the major taxes totaled \$2.92 billion, falling \$503 million, or 14.7% below June 2019 collections.
- c. GIT posted collections of \$1.281 billion, 12.6% below June 2019 collections.
- d. From the beginning of the fiscal year to the end of June 2020, GIT collections totaled \$13.085 billion and were \$2.14 billion, or 14.1% lower than the same twelve-month period in 2019.
- e. The Sales Tax collections totaled \$714.9 million, a 14.6% decline from June 2019 collections. This represented the third largest monthly decline in at least the last twenty (20) years, including during the Great Recession, with the largest decline of 29.0% occurring in May 2020.
- f. CBT generated collections of \$620.5 million, down 23.0% from June 2019.
- g. From the beginning of the fiscal year to the end of June 2020, CBT collections totaled \$3.441 billion and were \$613 million, or 15.1% lower than the same twelve-month period in 2019. June was the seventh consecutive month in which CBT revenues declined.

48. These stunning declines in revenue are more than just analytical facts, they also have real-life consequences. The decrease in revenues will inexorably lead to a decrease in the State's ability to provide crucial services and assistance to New Jersey residents at a time when they are needed most. A comparison of these pandemic-caused revenue shortfalls to the revenues shortfalls experienced during the dotcom recession and the Great Recession underscores the severity of the present crisis. During the dotcom recession, the FY02 shortfall between the original GBM forecast and the Appropriations Act was approximately \$2.299 billion, or -10.1%. In the two-year period of the Great Recession, the combined shortfall for FY08 and FY09 was approximately \$4.348 billion (-10.7% in FY08 and -3.0% in FY09). At the time the Report was prepared, the revenue shortfall for FY21 was projected to be \$7.207 billion, or -17.5%.

B. Extending the Tax Filing Deadline Resulted in Billions of Dollars in Deferred GIT and CBT Revenue.

49. On March 21, 2020, the IRS extended the federal tax filing deadline from April 15, 2020 until July 15, 2020.

50. Because of this, on April 14, 2020, the State likewise extended its tax filing deadline.

51. Extending the tax filing deadline shifted final and estimated payments of GIT and CBT from April 15, 2020 to July 15, 2020.

52. Extending the tax filing deadlines necessarily resulted in billions of dollars in deferred revenue.

53. At about 42% of the overall revenue, the GIT is the largest source of the State's revenue. The New Jersey Constitution mandates that the GIT be dedicated to the Property Tax Relief Fund ("PTRF"). Due to New Jersey's highly progressive tax rate structure and the GIT's character as a tax on gross rather than net incomes, this tax revenue is extremely sensitive to the economic cycle and thus, unpredictable.

54. During each fiscal year, the State uses quarterly GIT estimated payments, due on June 15, September 15, January 15, and April 15, and other income tax receipts, such as withholding payments, to monitor GIT revenue collections and to determine whether collections are in line with estimates. High quarterly

estimated payments, a large portion of which are received from higher-income taxpayers who are taxed at a higher rate, are historically associated with high final GIT payments in April.

55. Although New Jersey taxes capital gains like ordinary income, capital gains realizations are not tracked by any standard statistical series. Furthermore, taxpayers are not obligated to remit any taxes owed on a capital gains transaction prior to the April final payment. Yet, based upon taxpayer behavior in prior years, the normal expectation is that taxpayers will step up quarterly payments to avoid extremely large April payments and that strong growth of estimated payments is consistent with an increase in final April payments.

56. GIT: The OREA projected in the Report that GIT FY20 revenues would be \$910.9 million, or 5.4% lower than the GBM forecast, while FY21 collections would be \$3.955 billion, or 22.2% lower than the GBM forecast.

57. CBT: The OREA projected in the Report that FY20 revenues would be \$451.9 million, or 11.6% lower than the GBM forecast, while FY21 revenues were projected to be \$1.228 billion, or 32.0% lower. The projected two-year decline between the CBT revenue peak in FY19 and FY21 was pegged at 35.4%, which is similar to the two-year decline between FY08 and the CBT low-point in FY10 due to the Great Recession.

58. Treasury is monitoring and analyzing revenue collections in July. Due to the unprecedented deferral of final and estimated GIT and CBT payments from April to July, significant collections have been flowing into State coffers during the month of July. The Division of Revenue and Enterprise Services ("DORES") is currently receiving and tallying final tax year 2019 payments, first quarter tax year 2020 payments, and significant taxpayer refund claims. The processing of these deferred payment and refund streams will likely continue into early August.

59. The revenue forecast will most certainly change in the coming weeks and months as actual collections data are tabulated and as state specific economic impacts of the pandemic begin to crystalize.

60. As with any revenue forecast, actual collections will vary. Some will finish below while others will finish above the

forecast. Actual tabulations for FY20 will not be complete until the auditing process is finalized sometime in the coming winter. The August 25 Budget proposal will include new, updated forecasts for FY20 and FY21, but not the final audited amounts.

C. The State Economy is Volatile and Unpredictable.

61. The official State revenue statement was outlined in depth in the Report. In preparing the Report, tax policy proposals originally contained in the GBM were eliminated to provide an unfiltered analysis of the impact of the coronavirus pandemic on State revenues.

62. The Report remains the official forecast for FY20 and FY21, both in the aggregate and by month. The next official revenue statement will be contained in the Governor's August 25 Budget proposal, as required by law.

63. On June 30, 2020, the Governor and the Legislature adopted a supplemental appropriations bill ("Supplemental Act") for spending for the extended-FY20. See L. 2020, c.43.

64. After calculating preliminary June collections data, in conjunction with passage of the Supplemental Act authorizing appropriations and de-appropriations for the extended-FY20, the OREA increased forecasts for the Sales Tax and the Realty Transfer Fee relative to the initial projections contained in the Report.

65. The Sales Tax forecast was increased by \$361.6 million in FY20 and by \$287.0 million for the extended-FY20. The Realty Transfer Fee forecast was increased by \$28.2 million in FY20 and by \$18.7 million for the extended-FY20. As a result, the projected FY20 revenue shortfall was reduced by \$389.8 million, from \$2.732 billion to \$2.342 billion. The projected FY21 revenue shortfall was reduced by \$305.7 million through the extended-FY20, effectively reducing the annual total from \$7.207 billion to \$6.901 billion. The OREA updated the monthly targets for these two revenue sources to account for the change in revenue receipts.

66. The current revenue trends, while incomplete as of the last week of July, suggest that overall FY20 revenues, including for the extended-FY20, are likely to exceed the May 22 and June adjusted official forecasts.

67. In particular, Sales Tax collections, while still below the same months last year, are exceeding expectations due to economic activity opening sooner than previously expected and consumers utilizing the federal stimulus payments. CBT revenues are down compared to last year, but by lower rates than originally projected. For the GIT, employee wage withholding has also not fallen by the amount anticipated, even given the recent 15% and 16% unemployment rates.

68. July revenues are in the process of being tabulated and the August 25 updated revenue forecasts will not be completed for several weeks. Consequently, the May 22 and June adjusted forecasts remain the only official targets.

69. While New Jersey has been more successful than other states in beating back the coronavirus pandemic, a resurgence of the COVID-19 virus in the fall and winter would drive down revenues again, causing significant revenue shortfalls for FY21. If the pandemic continues into the spring of 2021, FY21 revenue collections will decline even further, with potential carry over into FY22.

IV. The State Instituted Spending Cuts and De-Appropriations to Curtail the Economic Calamity Caused by the Coronavirus Pandemic.

70. At the beginning of FY20, the State had taken decisive action to promote fiscal responsibility and was making steady progress towards improving its financial condition.

71. As Treasurer, I have prioritized and consistently advocated in support of increasing the State's fiscal reserves in order to guard against unanticipated events that adversely affect State revenues. Prior to COVID-19, the administration had succeeded in increasing the State's undesignated (surplus) balances from as little as \$300 million in recent years to well over a billion dollars for FY20.

72. To ensure that these balances were achievable and available throughout the fiscal year, the Governor, at the same time as enactment of the FY20 Appropriations Act, directed Treasury to identify and place in reserve items of appropriation sufficient to ensure that the budget remained in balance while maintaining an

anticipated FY20 closing fund balance of at least \$850 million in addition to a \$401 million deposit into the Surplus Revenue Fund, also known as the Rainy Day Fund ("SRF").

73. At the time of the Governor's Budget Message in February 2020, Treasury had projected a total closing fund balance through June 30, 2020 of \$1.5 billion, including \$732 million projected in the SRF.

74. The arrival of the COVID-19 pandemic hit the State's economy like a sledgehammer. As indicated in the Report, as a result of the unprecedented economic impact of the pandemic, revenues through June 30, 2020 were expected to decline by approximately \$2.7 billion.

A. The State Significantly Modified its Spending Plan for FY20 to Address the Devastating Financial Effects of the COVID-19 Pandemic on the State's Budget.

75. As a direct result of the COVID-19 pandemic, the State's previously budgeted surplus entirely disappeared under the weight of declining revenues and high fixed costs for Medicaid payments, debt servicing, and pension and health-care benefits.

76. Instead of a surplus, as stated in the Report, the revised projected fund balance for FY20 was projected to be negative \$1.2 billion without identifying and enacting spending and/or revenue solutions.

77. As of the end of March 2020, the State had already expended approximately \$30 billion of its \$40 billion budget for FY20 because it was three-quarters through FY20.

78. Consequently, the State was limited in its ability to make any consequential adjustments to lessen the financial impact of the coronavirus pandemic.

79. Nonetheless, in an attempt to ameliorate the economic impact of the COVID-19 pandemic, the State took a number of significant steps to ensure the State remained in a solvent financial position, including:

- Reviewing State spending across all branches of government and placement of over \$1 billion of available appropriations into reserve

- Transferring the entire \$421 million SRF to the undesignated General Fund balance to help offset the anticipated shortfall due to the anticipated decline in revenues through June 30, 2020, and eliminating the planned additional deposit to the SRF on June 30, 2020
- Implementing a Statewide hiring freeze with the exception of COVID-19 needs and other related life-saving and safety needs
- Limiting the use of hourly and temporary employees
- Coordinating with vendor partners to attempt to obtain better procurement terms and conditions for new contracts and extensions
- Conducting ongoing review and approval by the Office of Management and Budget of department spending and contracting
- Cancelling and reserving pre-encumbrances which will result in deferral or elimination of planned department spending
- Deferring or eliminating other planned FY20 spending, including the pension contribution related to the revised experience study (\$279 million); the pension contribution to offset certain lottery shortfalls; the proposed lead infrastructure program in the Department of Environmental Protection (\$80 million); and Economic Redevelopment & Growth ("ERG") grants (\$49 million)

80. These, in addition to other actions, enabled the State to avoid a negative fund balance and instead achieve a positive fund balance.

81. As described in the Report, the revised spending plan required de-appropriations of approximately \$1.32 billion, including State balances available as the result of the application of certain federal revenues towards State spending included in the

fund balance model. This included the increased federal match for all Medicaid programs and amounts received from the Coronavirus Relief Fund ("CRF") through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

82. In addition, all operating reserves not currently considered for de-appropriation or needed by departments for financial year close out, as well as any additional unanticipated balances, which are referred to as "normal lapses," will be retained in reserve until final FY20 revenues are determined. To the extent necessary, these unanticipated balances will be lapsed at the end of extended-FY20, i.e., September 30, 2020, to ensure that the State maintains a positive fund balance.

B. The State Maintained a Balanced Budget by Making Substantial Adjustments to its Extended Fiscal Year Spending Plan.

83. In an attempt to mitigate the devastating economic effects of the coronavirus pandemic, pursuant to L., c. 19, the COVID-19 Fiscal Mitigation Act, the Legislature and the Governor extended the State's fiscal year to September 30, 2020. As required under that Act, on June 30, 2020, the Governor and the Legislature adopted the Supplemental Act.

84. The Supplemental Act for extended-FY20 defers and cuts essential spending in order to fulfill the constitutional obligation to maintain a balanced budget. The Supplemental Act includes budget cuts of \$1.19 billion and deferrals of \$2.188 billion, and eliminates \$849.7 million in spending that the Governor had proposed in late February in the FY21 GBM.

85. The Supplemental Act contains the following cost-cutting measures and deferred payments:

- De-Appropriating \$1.19 billion dollars
- Continuing to implement the school funding formula designed in partnership with the Legislature without any additional funding over FY20, and delaying the September 22, 2020 school aid payment (\$467 million) into October 2020
- Delaying the Extraordinary Special Education Aid payment (\$250 million) into October 2020

- Delaying September 2020 payments (\$355 million) for Consolidated Municipal Property Tax Relief Aid ("CMPTRA") and Energy Tax Receipts ("ETR") until October 2020
- Delaying the September 2020 pension payment (\$950 million) to October 2020
- Instituting a 5% across-the-board reduction in funding for non-salary operating costs and a 10% reduction in discretionary grants
- Negotiating with the Communications Workers of America to delay cost of living adjustments

86. The Supplemental Act does not include any operating subsidy to NJTRANSIT, nor does it provide funding for senior freeze and homestead benefit payments, or operating aid for higher education.

87. In general, the Supplemental Act provides 25% of projected annual need for social services programs and operating accounts not otherwise reduced. State Aid and grants and other discretionary payments are appropriated during the three-month extended year based on the normal timing of disbursements or as projected to cover actual services rendered.

88. The Supplemental Act appropriates about 35% of the typical annual Department of Transportation/NJTRANSIT's capital project list for the supplemental period.

89. In total, the Supplemental Act provides the same overall funding for hospitals as the first quarter of FY20 (e.g., charity care, graduate medical education).

90. The Supplemental Act does not institute any new revenue raising measures.

91. The Supplemental Act does not impact debt service payments.

92. The Supplemental Act for extended-FY20 is supported by \$8.711 billion in total resources and includes a revised surplus of \$957 million by September 30, 2020.

93. Primarily due to increased Sales Tax revenues resulting from the incremental opening of the State's economy, the revised surplus is up \$462 million from the Report.

94. All told, the actions taken led to an ending undesignated fund balance of \$704 million as of June 30, 2020 and an undesignated ending fund balance of \$957 million on September 30, 2020.

95. While the revised projected fund balances are improved over the projections made at the time of the Report, because the State's financial situation is so volatile, these funding balances are hardly adequate to cover the State's financial needs and could disappear in a flash.

96. Moreover, the State will continue to grapple with an unprecedented decline in overall projected revenue. The absence to date of a second federal stimulus bill to assist individuals and businesses may result in more bankruptcies and closures, thereby potentially affecting revenues.

97. Following enactment of the Supplemental Act, the Treasury began work on a nine-month budget for FY21, which will run from October 1, 2020 through June 30, 2021 ("shortened-FY21"). See L. 2020, c. 43.

98. The Governor must propose the appropriations act for shortened-FY21 by August 25, 2020, and it must be enacted before October 1, 2020 because the extended-FY20 ends on September 30, 2020. Id. at § 6. By August 25, 2020, Treasury will submit a budget for shortened-FY21, which will contain revised estimates for both FY20 and FY21 and start the budget negotiations process for shortened-FY21. See L. 2020, c. 19.

V. The Calculation of Revenue and Expenses Takes Into Consideration the Funds Received from the Cares Act.

99. When Treasury calculated the State's need for revenues for the extended-FY20 and the shortened-FY21, Treasury mostly deducted from both sides of the ledger increased expenditures related to the pandemic as well as CARES Act and other federal stimulus funds that the State had received. The shortfall in revenues that remains is the State's level of need after the stimulus funds have been accounted for.

100. So far, the federal government has provided the State with \$5.317 billion in funding under the CARES Act and other stimulus bills. The current federal guidance explicitly states that the funds cannot be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. The statute is clear that, while a broad range of uses is allowed, revenue replacement is not a permissible use of the federal funds. Questions exist concerning how federal relief funds that the State has already received may be spent. These questions arise directly from the text of the CARES act itself as well as guidance that the United States Department of the Treasury is continually updating.

101. In short, the federal assistance must be utilized for COVID-19 related expenses. Accordingly, most of the federal assistance is utilized for specific COVID-19 purposes, such as laboratory testing and the purchase of personal protective equipment, and for permissible COVID-19-related purposes, such as school lunches, meals for seniors, and childcare.

102. Further, it is uncertain whether the federal government will provide a new stimulus package and, even if it does, what its terms will be. To date, the federal government has firmly resisted the states' pleas for more direct, substantial, flexible financial assistance.

VI. It is a Common Mechanism for the Proceeds of General Obligation Bonds to be Appropriated Outside of the Appropriations Act, and therefore Outside of the Appropriations Clause's Balanced Budget Requirement.

103. For more than half a century and probably longer, it has been a common mechanism for the proceeds of GO bonds to be appropriated outside of the annual Appropriations Act. This mechanism is colloquially known as a "Debt Limitation Appropriation."

104. These "debt limitation appropriations" have taken several forms over the decades, but the constant feature is that they are done in stand-alone chapter laws.

105. In some instances, the very act authorizing the issuance of GO bonds appropriates the proceeds thereof directly to a State

agency or authority. We see an example of this in L. 1977, c. 235, wherein the Legislature authorized the issuance of \$120 million in GO bonds for the construction of "medical education facilities" and, within that very act, "hereby appropriated" a portion of the proceeds for a "teaching hospital project." Id. at §§ 1, 5.

106. Sometimes the Legislature uses a variant of this process, whereby it appropriates bond proceeds both within the act authorizing the bonds and in a separate stand-alone chapter law. For example, in L. 1968, c. 128, the Legislature authorized the issuance of \$640 million in GO bonds to improve mass transportation within the State. See id. at § 3. In this authorizing act, the Legislature provided that "all" bond proceeds "are hereby appropriated to the Department of Transportation." Id. at § 13. The Legislature also provided, however, that "no such monies shall be expended" until the Department of Transportation submitted a project list to the Legislature and the latter made a "specific appropriation" for the recommended projects. Ibid. Notably, the specific appropriation was not in the annual appropriations act or any supplement thereto, but rather in a stand-alone chapter law. See L. 1969, c. 13.

107. At other times, the Legislature dispenses altogether with a direct appropriation in the authorizing act and provides that all bond proceeds will be appropriated in a stand-alone chapter law - not the annual Appropriations Act or a supplement thereto - after the agency submits a project list. For example, in L. 1983, c. 354, the Legislature authorized the issuance of \$135 million in GO bonds "to meet the cost of public acquisition and development of lands by the State for recreation and conservation purposes." Id. at § 3. This authorizing act provided that these "Green Acres" funds "shall not be expended except in accordance with appropriations from such fund made by law." Id. at § 15. Further, "[a]ny act appropriating moneys from the 1983 New Jersey Green Acres Fund shall identify the particular project or projects to be funded with such moneys." Ibid. L. 1984, c. 224 was the first stand-alone chapter law to appropriate monies for the Green Acres program. See id. (appropriating \$19 million of Green Acres funds to Department of Environmental Protection for specifically delineated projects such as Nature Center Bridge in Allaire State Park).

108. Again, debt limitation appropriations such as those described above are outside of the annual appropriations act. As

the Director of the Office of Public Finance certified in his Certification, Section 14 of the Emergency GO Bond Act requires that the balance remaining in the Emergency Fund after the transfer to the General Fund or the Property Tax Relief Fund is a debt limitation appropriation. See Certification of Michael B. Kanef ("Kanef Cert.") at ¶ 44. Therefore, as outlined in the first sentence of Section 14, the balance may be appropriated by the Legislature - separate and apart from - the annual Appropriations Act or any supplemental act thereto in one or more separate chapter laws.

109. Each year, Treasury prepares a Comprehensive Annual Financial Report ("CAFR"), which presents the financial position and operating results of the State under generally accepted accounting principles ("GAAP") applicable to state and local governments. The CAFR contains all of the State's revenues, costs, assets, and liabilities. That debt limitation appropriations are off-budget is evidenced by the facts that neither in the CAFR nor in the Governor's revenue certification that he issues in compliance with the Appropriations Clause are these debt limitation appropriations considered revenues for purposes of balancing the budget.

110. In the past, the State has, through a mechanism known as interfund transfers, transferred GO bond proceeds to the General Fund as revenue to meet general operating expenses. For example, in FY16, proceeds of bonds authorized by the "New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996" ("Dredging Bonds"), see L. 1996, c. 70, were transferred as revenue to the General Fund. Specifically, the Fiscal Year 2016 Appropriations Act listed as "Anticipated Resources," \$454,000 of Dredging Bond proceeds. See L. 2015, c. 63 (FY16 Appropriations Act) at A-10, relevant excerpt attached hereto as Exh. L. These proceeds were to be used to meet the administrative expenses of the "Office of Dredging and Sediment Technology" in the Department of Environmental Protection. See L. 2015, c. 63 (FY16 Appropriations Act) at B-64, relevant excerpt attached hereto as Exh. L. As it turned out, actual expenses were only \$429,975.27, which was the amount of Dredging Bond proceeds the General Fund actually received. The "transfers to other funds" line on page 159 of the CAFR for FY16 reports this movement and records the funds as revenue. See FY16 CAFR at p. 159 "Dredging and Containment Facility Fund," relevant excerpt attached hereto as Exh. M. The Governor's FY18 Budget Message likewise demonstrates

that the General Fund actually received \$430,000 in Dredging Bond proceeds, recorded them as revenue, and used them to support General Fund expenditures. See Governor's FY18 Budget Message at C-7, D-128, relevant excerpts attached hereto as Exh. N. This interfund transfer involved the transfer of the bond proceeds themselves (i.e., the principal amount received after issuance) and not mere interest on investment earnings.

111. Similarly, in FY18, proceeds of bonds authorized by the 2009 "Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009" ("Preservation Fund"), see L. 2009, c. 117, were transferred as revenue to the General Fund. Specifically, the Fiscal Year 2018 Appropriations Act listed as "Anticipated Resources," \$84,000 of Preservation Fund proceeds. See L. 2017, c. 99 (FY18 Appropriations Act) at A-10, relevant excerpt attached hereto as Exh. O. These proceeds were to be used by the "Department of Community Affairs for Historic Trust/Open Space administration costs." See L. 2017, c. 99 (FY18 Appropriations Act) at B-30, relevant excerpt attached hereto as Exh. O. As it turned out, actual expenses were only \$82,263, so that is the amount of Preservation Fund proceeds the General Fund actually received. The "transfers to other funds" line on page 176 of the CAFR for FY18 reports this movement and records the funds as revenue. See FY18 CAFR at p. 176, relevant excerpt attached hereto as Exh. P. The Governor's FY20 Budget Message likewise demonstrates that the General Fund actually received Preservation Bond proceeds, recorded them as revenue, and used them to support General Fund expenditures. See Governor's FY20 Budget Message at C-7, D-60, relevant excerpt attached hereto as Exh. Q. This interfund transfer involved the transfer of the bond proceeds themselves (i.e., the principal amount received after issuance) and not mere interest on investment earnings.

VII. The Economic Outlook for FY21 is Bleak.

112. As currently projected, the State is facing serious fiscal and economic challenges for shortened-FY21 and will not have enough funds to meet its obligations unless a) there is a highly improbable, earlier-than-expected economic recovery; b) taxes are raised sharply; and c) there are drastic cuts to spending adopted as part of the shortened-FY21 budget. In case - as is highly likely - a), b), and c) do not materialize or are insufficient to address the crisis, the State will need to have

available in its toolbox the General Obligation ("GO") bonds the Emergency GO Bond Act authorizes.

113. Even with stronger than expected June collections, the OREA and OMB estimate that, in shortened-FY21, there will be a \$6.458 billion shortfall between expected revenues and expenditures.

114. A shortfall in the magnitude of \$6.458 billion will cripple the State's ability not only to meet its financial obligations but to provide the residents of New Jersey with desperately needed assistance during this unparalleled financial and health crisis.

115. Further, the Supplemental Act deferred various September 2020 payments into October 2020. This includes the \$950 million in pension payment, \$467 million in school aid, \$355 million for CMPTR and ETR, \$250 million in Extraordinary Special Education aid, \$114 million for New Jersey Transit, and any required Transitional Aid currently estimated at \$28 million.

116. Additionally, if there is a resurgence of the COVID-19 virus in the fall and winter, the OREA noted in the Report that shortened-FY21 revenues could decline by an additional \$1.065 billion.

117. The uncertainty surrounding the projected path of the virus is echoed by what OREA, the Office of Legislative Services, and economists around the country agree is a high degree of volatility and uncertainty surrounding revenue projections during this unprecedented crisis, and further underscores the need for the authority to borrow in order to help ensure our ability to meet the needs of our residents to the best extent possible.

118. It is likely that no feasible amount of additional taxes or spending cuts alone will enable the State economy to adequately recover from this once-in-a-century pandemic.

VIII. Treasury Intends to Utilize a Number of Measures to Address the State's Financial Needs.

119. Treasury intends to consider every possible measure to resolve the financial crisis, from cutting expenditures across all categories of appropriation, raising taxes, persuading the federal government to lift restrictions on the use of CARES Act funds, and

a panoply of new ideas for bringing extra money into the State's coffers. But the State still needs the option of borrowing, with the flexibility it brings, especially in these unprecedented, fluid economic times.

120. The State also has to have the tools available to plan for a future resurgence of the COVID-19 virus and the need to respond to its health-care and economic costs. Because it is impossible to predict with certainty whether there will be a resurgence, the State must have as much leeway and flexibility as possible to meet its financial obligations and must be able to act within the available windows of opportunity afforded by the public and private markets.

121. The State is in the midst of a dire fiscal crisis, and the GO Emergency Bond Act will provide a multi-pronged, flexible approach to GO bond borrowing that will enable the State to address plummeting revenues and restore some degree of financial stability.

The foregoing statements are true to the best of my knowledge, information, and belief. I am aware that, if any of the statements are willfully false, I may be subject to punishment.



ELIZABETH MAHER MUOIO
State Treasurer
State of New Jersey
Department of the Treasury

Dated: 7/31/2020

EXHIBIT A

SENATE BUDGET COMMITTEE HEARING
State Treasurer Elizabeth Maher Muoio
Testimony as Prepared for Delivery
June 1, 2020

Good afternoon, Chairman Sarlo, Vice Chair Cunningham, Budget Officer Oroho, members of the committee.

I don't think anyone in a million years could have predicted this would be the circumstances under which we would be addressing the Governor's proposed budget for the first time.

Even though you can't see them at the moment, I am joined virtually by my colleagues –

- Deputy Treasurer Catherine Brennan
- Acting Director of the Office of Management and Budget (OMB) David Ridolfino,
- OMB Deputy Director Lynn Azarchi, and
- Martin Poethke, the Director of the Office of Revenue and Economic Analysis (OREA).

They and their staff, along with many others in our front office and across Treasury's divisions, have been invaluable in navigating the uncharted territory that has come to epitomize this budget season and lending their expertise to a number of complex issues we've been managing.

As I've said before, our primary goal from day one has been to ensure first and foremost that all of our departments and agencies have the resources they need to help the people of New Jersey confront this brutal health crisis.

At the same time, we've been working non-stop to address the fiscal crisis that has grown to unprecedented proportions.

No amount of planning could have predicted the magnitude of the financial devastation we are facing...and that's evident by the constantly evolving professional forecasts we've seen...and continue to see.

To truly appreciate the magnitude of the fiscal crisis we find ourselves in, it helps to view the present situation in the context of more recent history.

As you all know, we spent the last two years working together to shore up the state's finances:

- proposing a third consecutive record payment into the pension system;
- increasing the state surplus to three times the level we inherited;
- planning a second consecutive deposit into the rainy day fund - the first time that would have been done in more than a decade;

- making record investments in key areas like public education and NJ TRANSIT that had long been neglected; and
- reducing the state’s historical reliance on fiscal gimmicks like one-shots and diversions.

Let me just say this – it’s a good thing we had begun to make headway in building up our surplus and rainy day fund.

While our reserves going into this crisis were still not comparable to many other states, I can’t imagine how we would be weathering this storm right now without that cushion.

As a case in point, the ratings agencies had also begun to take note of our progress. Even while issuing warnings recently, Moody’s and S&P noted the headway we have made in recent years.

Then COVID came along...and halted this progress in its tracks...

...and the budget we spent MONTHS working on all but evaporated.

The difficult decisions in the Governor’s proposed budget for the remaining fiscal year and the three-month extension demonstrate our enormous need for additional federal assistance as well as legislative authorization to borrow in order to ensure our cash flow.

To balance out billions in lost revenue, the State must make devastating cuts across nearly all sectors and all branches of government.

The report we sent to you last week proposes decreasing planned spending by over \$5 billion, including:

- \$1.3 billion in proposed deappropriations;
- \$3.2 billion in reduced or delayed first quarter appropriations; and
- \$849.7 million of the Governor’s proposed priorities withdrawn.

We have tried to strike a balance...tightening our belt, incorporating significant cuts, and proposing borrowing to address our cash flow issues.

But as I walk you through some of our revenue projections, it will become clear that even with these solutions, we are still facing many more difficult decisions, especially without significantly more federal funding, and flexible funding at that, as well as the ability to borrow.

ECONOMIC OVERVIEW

Let me start by quickly providing a picture of the economic outlook we are forced to contend with.

The onset of the COVID-19 health pandemic has created a global economic crisis that the world has not seen since the Great Depression nearly a century ago, and a health crisis not seen since the 1918 Spanish Flu pandemic.

In April, national unemployment rose to 14.7 percent and New Jersey's unemployment rate rose to 15.3 percent, the highest level since the Great Depression nine decades ago.

As a point of reference, the national unemployment rate peaked at 10.0 percent during the 2008-09 Great Recession, while the New Jersey rate peaked at 9.8 percent.

The Congressional Budget Office projects that the national unemployment rate will average 15.0 percent during the second and third quarters of 2020 and then begin to decline, reaching 9.5 percent by the end of 2021.

When it comes to the national real GDP, second quarter forecasts vary from a 12.9% to 36.9% decline, with the Blue Chip Consensus Forecast now predicting a 24.5% drop.

This Q2 decline is unprecedented, but so is the speed at which professional economic forecasters have revised their projections downward.

For context, in February, most national forecasters were projecting low rates of growth for all quarters of 2020.

By mid-March to mid-April, there was a race to the bottom as forecasts plummeted.

The bottom line, based on a recent Wall Street Journal Economic Forecasting survey, is that real GDP is not expected to return to pre-COVID levels until mid-2022 at the earliest.

These rapidly devolving projections have complicated what was already an increasingly daunting revenue forecasting situation.

Quite frankly, there are no forecasting models for this type of scenario.

With that in mind, the report we delivered to you last week is designed to serve as a road map to help us navigate what is essentially uncharted territory.

But bear in mind, the virus will ultimately dictate the outcome of not only the health crisis, but also the economic crisis.

12 MONTH REVENUE FORECASTS

The revenue scenarios I'm about to walk you through are based on the assumption that regardless of the status of New Jersey's "stay-at-home" order, we can expect its effects to be felt

through June and beyond since experiences across the globe indicate that economic activity does not return to normal as soon as lockdowns expire.

Tax revenue collection figures released two weeks ago for the month of April provided a first look at the impact of COVID-19 on New Jersey.

Overall, total collections fell \$3.5 billion below April of 2019, down nearly 60 percent over last April.

As we noted at the time, April revenue collections largely reflect March economic behavior due to the fact that many of the major revenues report with a one-month lag.

Because the social and commercial restrictions implemented due to the COVID-19 pandemic were only in place for about half the month of March, the impact of the pandemic on New Jersey's revenue collections is still not fully apparent.

Additionally, April's collections reflect the impact of extending the filing and payment deadline for both the income tax and the corporation business tax from April 15 to July 15.

While we expect a portion of this shortfall to be made up during July, just how much remains to be seen because it is likely more taxpayers than usual will request extensions.

I just want to take a second to clarify that, for comparison purposes, the projections I'm about to detail are all prepared based on the traditional fiscal year of July 1st through June 30th, not the new temporarily extended and shortened fiscal years.

In terms of the big picture, the revised forecast prepared by our Office Revenue and Economic Analysis through Fiscal Year 2021 is staggering, particularly in light of the fact that the Governor's Budget Message (GBM) was delivered just 12 weeks ago

We are now projecting that revenues for Fiscal Year 2020 (FY 2020) will come in at \$36.733 billion, which is \$2.732 billion, or 6.9 percent, lower than the revised forecast we issued at the time of the GBM in February.

Additionally, we are projecting that revenue collections for the FY 2021 budget will come in at \$33.955 billion, which is \$7.207 billion, or 17.5 percent, lower than our February forecasting.

In total, the revenue shortfall for FY 2020 and FY 2021 combined is approximately \$10 billion.

It's important to note that these figures do not incorporate any of the tax policy proposals contained within the GBM, nor do they assume another surge of the virus in the fall.

If that resurgence scenario does in fact occur, our revenue analysts estimate that we could in fact see an additional shortfall of roughly \$1 billion.

It's also important to note that OLS is largely in agreement with our projections as well, as they made clear during the Assembly Budget Committee hearing last week.

They were also in equal agreement on the volatility of the forecasting situation, as are many national economists.

Now, let me walk you through the projections for some of the major taxes so you can understand what we have to contend with for the foreseeable future.

For the **Gross Income Tax (GIT):**

- FY 2020 revenues are projected to be \$910.9 million, or 5.4 percent, lower than our GBM forecast, while
- FY 2021 collections are projected to be \$3.955 billion, or 22.2 percent lower than the February forecast.

When it comes to the **Sales and Use Tax:**

- FY 2020 revenues are projected to be \$1.131 billion, or 10.9 percent, lower than the GBM forecast, while
- FY 2021 revenues are projected to be \$1.528 billion, or 14.2 percent, lower than the February forecast.
- For the near term - May thru July of this year, Sales Tax collections are forecast to decline by 33.0 percent compared to this same period last year.

As for the **Corporation Business Tax (CBT):**

- FY 2020 revenues are projected to be \$451.9 million, or 11.6 percent, lower than the GBM forecast, while
- FY 2021 revenues are projected to be \$1.228 billion, or 32.0 percent lower than the February forecast.

It's interesting to note that the projected two-year decline between the CBT revenue peak in FY 2019 and FY 2021 is 35.4 percent, similar to the two-year decline between FY 2008 and the CBT low-point in FY 2010 due to the Great Recession.

Other notable forecasts for select major taxes include:

The **Motor Fuels Tax:**

- FY 2020 revenues are projected to be \$65.4 million, or 13.5 percent lower than the GBM forecast, while
- FY 2021 revenues are projected to be \$71.0 million, or 15.1 percent lower than the February forecast.
- Collections are projected to decline between 40 and 50 percent for the duration of the lockdown.

As for the **Petroleum Products Gross Receipts Tax:**

- FY 2020 revenues are projected to be \$169.0 million, or 11.6 percent below the GBM forecast, in line with the decline in the Motor Fuels Tax, while
- FY 2021 revenues are projected to be \$203.0 million, or 14.3 percent lower than the February forecast.

As you can see, gas tax-related revenues, like most other revenues during this pandemic, have plummeted.

One last revenue stream of note - the **Realty Transfer Fee**:

- FY 2020 revenues are projected to be \$60.6 million, or 15.7 percent lower than the GBM forecast.
- Although realtors are allowed to show homes to individuals, data from the New Jersey Realtors Association indicate that pending sales had already declined by 27.8 percent by early March.
- Moreover, the significant decline in employment is expected to hurt home sales for the near future.
- As a result, FY 2021 revenues are projected to be \$134.5 million, or 33.8 percent below the GBM forecast.

PROJECTED FUND BALANCE

What all of this means is that our ambitious plans for closing out this fiscal year – as well as the proposed budget we unveiled to you in February – have all been rendered obsolete.

We are going to require federal assistance and the ability to access borrowing facilities in order to meet our obligations.

At the time of the Governor’s Budget Message in February, our projected closing fund balance through June 30 of this year was \$1.5 billion, which included \$732 million in the Surplus Revenue Fund (SRF), also known as the Rainy Day Fund.

However, given the unprecedented economic impact of the current pandemic, revenues through June 30 are expected to decline by \$2.7 billion.

As a result, we are looking at a revised projected fund balance, through June 30th – the date by which we must still close our financial year – of NEGATIVE \$1.2 billion.

Obviously we can’t let that happen for many reasons, chief among them the fact that we are constitutionally required to have a balanced budget.

So we had to take many decisive and crucial steps early on to remain solvent:

- Placing approximately \$1 billion of available appropriations into reserve;
- Implementing a statewide hiring freeze with the exception of COVID-19 related needs;

- Transferring the entire \$421 million Surplus Revenue Fund (Rainy Day Fund) to the undesignated General Fund balance to help offset the anticipated shortfall and foregoing the planned deposit on June 30, 2020;
- Subjecting department spending and contracting to ongoing review and approval by the Office of Management and Budget; and
- Deferring more than \$500 million in other planned FY 2020 spending, including:
 - the additional \$280 million FY 2021 pre-payment we had hoped to make into the pension system to cover the increased liability brought on by the latest experience study;
 - and \$80 million we had hoped to invest in infrastructure related to lead remediation;

Additionally, as I mentioned at the top of my remarks, we are proposing to decrease planned spending by over \$5 billion across all sectors and branches of government, including:

- \$1.3 billion in proposed de-appropriations;
- \$3.2 billion in reduced or delayed first quarter appropriations; and
- Withdrawal of \$849.7 million in proposed spending priorities put forth by the Governor in February.

Taken as a whole, these decisions get us to a POSITIVE fund balance of \$344 million as of June 30, 2020 and a \$494 million ending fund balance as of September 30, 2020.

While that is certainly better than a NEGATIVE fund balance of \$1.2 billion, it's far from acceptable.

That type of surplus balance might have been customary during the last administration, but it's anything but advisable.

In volatile economic times such as this, it is the equivalent of a "rounding error" and could disappear in a flash.

And I would remind you that should we see a second surge of the virus, additional adjustments will need to be made.

Keep in mind that 70 to 80 percent of the state budget goes out the door in the form of state aid and grants-in-aid, which largely support schools, local governments, higher education, property tax relief, seniors, and health insurance for those most in need.

So the type of cuts that would be necessary to balance the entire projected shortfall through FY 2021 would be devastating at both the state and local level.

Our borrowing proposal is crucial for many reasons, primarily because it will provide both the state...

...and local governments that do not otherwise have the opportunity to access the federal lending facility...

...with a valuable tool to address the unprecedented budget challenges we face together in a balanced way in conjunction with savings measures.

Our intention is to borrow only as much as absolutely necessary.

We understand borrowing is not free, but it is one of several crucial options we need at our disposal.

FEDERAL ASSISTANCE

The \$2.4 billion from the federal Coronavirus Relief Fund that we have received to date will certainly be a big help, but without more robust AND flexible federal aid – as well as the ability to borrow – additional, substantial cuts will be necessary to produce a balanced FY 2021 budget.

The reason for this is simple - we must spend this \$2.4 billion in accordance with U.S. Treasury guidance otherwise it may result in the claw back of these funds by the federal government.

To complicate matters, U.S. Treasury guidance remains incomplete as it relates to eligibility for payroll and other expenditures for COVID-related activities.

While we do have a proposed spending framework mapped out, until we receive clear guidance and approval from the U.S. Treasury, the state simply cannot formalize a final plan or dedicate funds widely to sub-grantees that would be reliant on Treasury guidance to expend these funds.

Rest assured, we are eager to begin disbursing these funds where they are needed most –

- like helping our Health Department improve critical oversight at long term care facilities;
- helping our Labor Department administer crucial unemployment assistance more efficiently;
- or helping food banks address the very real threat of food insecurity that continues to grow as this crisis worsens.

As we get more guidance and finalize plans for disbursement we will be sure to share them with you.

Like I've said before, we have been faced with many tough decisions already...and we'll be faced with many even tougher ones as we work on the nine-month budget ahead.

But, we are not alone. All across the country, states are facing similar challenges that seemed inconceivable just a few short months ago.

Managing this crisis will require an unprecedented level of cooperation, and we look forward to working with all of you in the weeks and months ahead to address this unprecedented challenge.

We are now happy to answer any questions. Thank you.

###

EXHIBIT B

ASSEMBLY BUDGET COMMITTEE HEARING
State Treasurer Elizabeth Maher Muoio
Testimony as Prepared for Delivery
May 28, 2020

Good afternoon, Chairwoman Pintor Marin, Vice Chair Burzichelli, Budget Officer Wirths, members of the committee.

I don't think anyone in a million years could have predicted this would be the circumstances under which we would be addressing the Governor's proposed budget for the first time.

Even though you can't see them at the moment, I am joined virtually by my colleagues –

- Deputy Treasurer Catherine Brennan
- Acting Director of the Office of Management and Budget (OMB) David Ridolfino,
- OMB Deputy Director Lynn Azarchi, and
- Martin Poethke, the Director of the Office of Revenue and Economic Analysis (OREA).

They and their staff, along with many others in our front office and across Treasury's divisions, have been invaluable in navigating the uncharted territory that has come to epitomize this budget season and lending their expertise to a number of complex issues we've been managing.

As I've said before, our primary goal from day one has been to ensure first and foremost that all of our departments and agencies have the resources they need to help the people of New Jersey confront this brutal health crisis.

At the same time, we've been working non-stop to address the fiscal crisis that has grown to unprecedented proportions.

No amount of planning could have predicted the magnitude of the financial devastation we are facing...and that's evident by the constantly evolving professional forecasts we've seen...and continue to see.

To truly appreciate the magnitude of the fiscal crisis we find ourselves in, it helps to view the present situation in the context of more recent history.

As you all know, we spent the last two years working together to shore up the state's finances:

- proposing a third consecutive record payment into the pension system;
- increasing the state surplus to three times the level we inherited;
- planning a second consecutive deposit into the rainy day fund - the first time that would have been done in more than a decade;

- making record investments in key areas like public education and NJ TRANSIT that had long been neglected; and
- reducing the state’s historical reliance on fiscal gimmicks like one-shots and diversions.

Let me just say this – it’s a good thing we had begun to make headway in building up our surplus and rainy day fund.

While our reserves going into this crisis were still not comparable to many other states, I can’t imagine how we would be weathering this storm right now without that cushion.

As a case in point, the ratings agencies had also begun to take note of our progress. Even while issuing warnings recently, Moody’s and S&P noted the headway we have made in recent years.

Then COVID came along...and halted this progress in its tracks...

...and the budget we spent MONTHS working on all but evaporated.

The difficult decisions in the Governor’s proposed budget for the remaining fiscal year and the three-month extension demonstrate our enormous need for additional federal assistance as well as legislative authorization to borrow in order to ensure our cash flow.

To balance out billions in lost revenue, the State must make devastating cuts across nearly all sectors and all branches of government.

The report we sent to you last week proposes decreasing planned spending by over \$5 billion, including:

- \$1.3 billion in proposed deappropriations;
- \$3.2 billion in reduced or delayed first quarter appropriations; and
- \$849.7 million of the Governor’s proposed priorities withdrawn.

We have tried to strike a balance...tightening our belt, incorporating significant cuts, and proposing borrowing to address our cash flow issues.

But as I walk you through some of our revenue projections, it will become clear that even with these solutions, we are still facing many more difficult decisions, especially without significantly more federal funding, and flexible funding at that, as well as the ability to borrow.

ECONOMIC OVERVIEW

Let me start by quickly providing a picture of the economic outlook we are forced to contend with.

The onset of the COVID-19 health pandemic has created a global economic crisis that the world has not seen since the Great Depression nearly a century ago, and a health crisis not seen since the 1918 Spanish Flu pandemic.

In April, national unemployment rose to 14.7 percent and New Jersey's unemployment rate rose to 15.3 percent, the highest level since the Great Depression nine decades ago.

As a point of reference, the national unemployment rate peaked at 10.0 percent during the 2008-09 Great Recession, while the New Jersey rate peaked at 9.8 percent.

The Congressional Budget Office projects that the national unemployment rate will average 15.0 percent during the second and third quarters of 2020 and then begin to decline, reaching 9.5 percent by the end of 2021.

When it comes to the national real GDP, second quarter forecasts vary from a 12.9% to 36.9% decline, with the Blue Chip Consensus Forecast now predicting a 24.5% drop.

This Q2 decline is unprecedented, but so is the speed at which professional economic forecasters have revised their projections downward.

For context, in February, most national forecasters were projecting low rates of growth for all quarters of 2020.

By mid-March to mid-April, there was a race to the bottom as forecasts plummeted.

The bottom line, based on a recent Wall Street Journal Economic Forecasting survey, is that real GDP is not expected to return to pre-COVID levels until mid-2022 at the earliest.

These rapidly devolving projections have complicated what was already an increasingly daunting revenue forecasting situation.

Quite frankly, there are no forecasting models for this type of scenario.

With that in mind, the report we delivered to you last week is designed to serve as a road map to help us navigate what is essentially uncharted territory.

But bear in mind, the virus will ultimately dictate the outcome of not only the health crisis, but also the economic crisis.

12 MONTH REVENUE FORECASTS

The revenue scenarios I'm about to walk you through are based on the assumption that regardless of the status of New Jersey's "stay-at-home" order, we can expect its effects to be felt through June and beyond...since experiences across the globe indicate that economic activity does not return to normal as soon as lockdowns expire.

Tax revenue collection figures released two weeks ago for the month of April provided a first look at the impact of COVID-19 on New Jersey.

Overall, total collections fell \$3.5 billion below April of 2019, down nearly 60 percent over last April.

As we noted at the time, April revenue collections largely reflect March economic behavior due to the fact that many of the major revenues report with a one-month lag.

Because the social and commercial restrictions implemented due to the COVID-19 pandemic were only in place for about half the month of March, the impact of the pandemic on New Jersey's revenue collections is still not fully apparent.

Additionally, April's collections reflect the impact of extending the filing and payment deadline for both the income tax and the corporation business tax from April 15 to July 15.

While we expect a portion of this shortfall to be made up during July, just how much remains to be seen because it is likely more taxpayers than usual will request extensions.

I just want to take a second to clarify that, for comparison purposes, the projections I'm about to detail are all prepared based on the traditional fiscal year of July 1st through June 30th, not the new temporarily extended and shortened fiscal years.

In terms of the big picture, the revised forecast prepared by our Office Revenue and Economic Analysis through Fiscal Year 2021 is staggering, particularly in light of the fact that the Governor's Budget Message (GBM) was delivered just 12 weeks ago

We are now projecting that revenues for Fiscal Year 2020 (FY 2020) will come in at \$36.733 billion, which is \$2.732 billion, or 6.9 percent, lower than the revised forecast we issued at the time of the GBM in February.

Additionally, we are projecting that revenue collections for the FY 2021 budget will come in at \$33.955 billion, which is \$7.207 billion, or 17.5 percent, lower than our February forecasting.

In total, the revenue shortfall for FY 2020 and FY 2021 combined is approximately \$10 billion.

It's important to note that these figures do not incorporate any of the tax policy proposals contained within the GBM, nor do they assume another surge of the virus in the fall.

If that resurgence scenario does in fact occur, our revenue analysts estimate that we could in fact see an additional shortfall of roughly \$1 billion.

Now, let me walk you through the projections for some of the major taxes so you can understand what we have to contend with for the foreseeable future.

For the **Gross Income Tax (GIT):**

- FY 2020 revenues are projected to be \$910.9 million, or 5.4 percent, lower than our GBM forecast, while
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It's interesting to note that the projected two-year decline between the CBT revenue peak in FY 2019 and FY 2021 is 35.4 percent, similar to the two-year decline between FY 2008 and the CBT low-point in FY 2010 due to the Great Recession.

Other notable forecasts for select major taxes include:

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One last revenue stream of note - the **Realty Transfer Fee**:

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- Although realtors are allowed to show homes to individuals, data from the New Jersey Realtors Association indicate that pending sales had already declined by 27.8 percent by early March.
- Moreover, the significant decline in employment is expected to hurt home sales for the near future.
- As a result, FY 2021 revenues are projected to be \$134.5 million, or 33.8 percent below the GBM forecast.

PROJECTED FUND BALANCE

What all of this means is that our ambitious plans for closing out this fiscal year – as well as the proposed budget we unveiled to you in February – have all been rendered obsolete.

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However, given the unprecedented economic impact of the current pandemic, revenues through June 30 are expected to decline by \$2.7 billion.

As a result, we are looking at a revised projected fund balance, through June 30th – the date by which we must still close our financial year – of NEGATIVE \$1.2 billion.

Obviously we can’t let that happen for many reasons, chief among them the fact that we are constitutionally required to have a balanced budget.

So we had to take many decisive and crucial steps early on to remain solvent:

- Placing approximately \$1 billion of available appropriations into reserve;
- Implementing a statewide hiring freeze with the exception of COVID-19 related needs;
- Transferring the entire \$421 million Surplus Revenue Fund (Rainy Day Fund) to the undesignated General Fund balance to help offset the anticipated shortfall and foregoing the planned deposit on June 30, 2020;
- Subjecting department spending and contracting to ongoing review and approval by the Office of Management and Budget; and
- Deferring more than \$500 million in other planned FY 2020 spending, including:

- the additional \$280 million FY 2021 pre-payment we had hoped to make into the pension system to cover the increased liability brought on by the latest experience study;
- and \$80 million we had hoped to invest in infrastructure related to lead remediation;

Additionally, as I mentioned at the top of my remarks, we are proposing to decrease planned spending by over \$5 billion across all sectors and branches of government, including:

- \$1.3 billion in proposed de-appropriations;
- \$3.2 billion in reduced or delayed first quarter appropriations; and
- Withdrawal of \$849.7 million in proposed spending priorities put forth by the Governor in February.

Taken as a whole, these decisions get us to a POSITIVE fund balance of \$344 million as of June 30, 2020 and a \$494 million ending fund balance as of September 30, 2020.

While that is certainly better than a NEGATIVE fund balance of \$1.2 billion, it's far from acceptable.

That type of surplus balance might have been customary during the last administration, but it's anything but advisable.

In volatile economic times such as this, it is the equivalent of a "rounding error" and could disappear in a flash.

And I would remind you that should we see a second surge of the virus, additional adjustments will need to be made.

FEDERAL ASSISTANCE

The \$2.4 billion from the federal Coronavirus Relief Fund that we have received to date will certainly be a big help, but without more robust AND flexible federal aid – as well as the ability to borrow – additional, substantial cuts will be necessary to produce a balanced FY 2021 budget.

The reason for this is simple - we must spend this \$2.4 billion in accordance with U.S. Treasury guidance otherwise it may result in the claw back of these funds by the federal government.

To complicate matters, U.S. Treasury guidance remains incomplete as it relates to eligibility for payroll and other expenditures for COVID-related activities.

While we do have a proposed spending framework mapped out, until we receive clear guidance and approval from the U.S. Treasury, the state simply cannot formalize a final plan or dedicate funds widely to sub-grantees that would be reliant on Treasury guidance to expend these funds.

Rest assured, we are eager to begin disbursing these funds where they are needed most –

- like helping our Health Department improve critical oversight at long term care facilities;
- helping our Labor Department administer crucial unemployment assistance more efficiently;
- or helping food banks address the very real threat of food insecurity that continues to grow as this crisis worsens.

As we get more guidance and finalize plans for disbursement we will be sure to share them with you.

Like I've said before, we have been faced with many tough decisions already...and we'll be faced with many even tougher ones as we work on the nine-month budget ahead.

But, we are not alone. All across the country, states are facing similar challenges that seemed inconceivable just a few short months ago.

Managing this crisis will require an unprecedented level of cooperation, and we look forward to working with all of you in the weeks and months ahead to address this unprecedented challenge.

We are now happy to answer any questions. Thank you.

###

EXHIBIT C

ASSEMBLY BUDGET COMMITTEE HEARING
New Jersey COVID-19 Emergency Bond Act (A-4175)
June 1, 2020
State Treasurer Elizabeth Maher Muoio
(Testimony as prepared for delivery)

Good morning once again, Chairwoman Pintor Marin, Vice Chair Burzichelli, Budget Officer Wirths, and members of the committee.

It's good to see you all again so soon. I am joined here today by Assistant Treasurer Dini Ajmani, and our Director of the Office of Public Finance, Michael Kanef.

Since we provided our revenue and budget numbers in depth with you last Thursday, I am going to focus my brief opening remarks on the proposed Bond Act, A. 4175.

As the global pandemic has unfolded, one thing it has made clear is that the need for essential government services increases exponentially in times of crisis.

Demand for and reliance on public health professionals, law enforcement, first responders, financial assistance, and Medicaid, just to name a few, have all increased significantly.

Meanwhile, as you know, our fiscal resources have followed the opposite trajectory.

We are expecting significant budgetary challenges because of steep declines in nearly all of our major revenue sources due to COVID-19 related shutdowns and stay-at-home orders.

According to the revenue projections we recently shared with you, the state is facing a \$2.7 billion shortfall through June 30th...

And we're looking at an additional \$7 billion shortfall through the end of Fiscal Year 2021 next June...

...for a combined shortfall of roughly \$10 billion.

As we all saw during the hearing before this committee on Thursday, OLS is largely in agreement with our projections as well.

They were also in equal agreement on the volatility of the forecasting situation.

While the impact on New Jersey's budget and finances is both rapidly changing and unpredictable...

...what is clear is that revenues and cash flow will be significantly affected to such an extent that bonding authority will be necessary to help address New Jersey's unprecedented budgetary challenges in the coming months.

But, as we discussed with you last week, this is just one of several solutions we are pursuing.

As you have seen from our proposed budgets through September 30 of this year, savings measures will be another important tool in addressing this challenge.

As a reminder, we have proposed \$1.3 billion in de-appropriations, \$3.2 billion in reduced or delayed first quarter appropriations, and we have withdrawn approximately \$850 million of the Governor's proposed priorities.

None of these decisions were reached lightly and, regrettably, we understand the pain that will stem from many of them.

But this only serves to underscore the need for additional options, including additional federal assistance and legislative authorization to borrow in order to help ensure our ability to meet the needs of our residents to the best extent possible.

Otherwise, the type of cuts that would be necessary to balance the entire projected shortfall through FY 2021 would be devastating at both the state and local level.

Keep in mind that 70 to 80 percent of the state budget goes out the door in the form of state aid and grants-in-aid, which largely support schools, local governments, higher education, property tax relief, seniors, and health insurance for those most in need.

The proposed legislation before you is crucial for many reasons, primarily because it will provide both the state...

...and local governments that do not otherwise have the opportunity to access the federal Municipal Liquidity Facility...

...with a valuable tool to address the unprecedented budget challenges we face together in a balanced way in conjunction with savings measures.

Our intention is to borrow only as much as absolutely necessary.

We understand borrowing is not free, but it is one of several crucial options we need at our disposal.

Right now the market is stable because there is a buyer in the form of the Federal Reserve.

But we don't know what will happen when that buyer goes away at the end of December.

In the interest of protecting taxpayers as much as possible, it is urgent that we take advantage of the favorable rate offered through the federal lending facility, and the stabilizing effect it is having on the public and private markets, while we can.

This facility was created by the federal government with the explicit intent of assisting state and municipal governments across the country with their budgetary challenges...recognizing the severe financial difficulties created by the COVID-19 pandemic.

This proves that New Jersey is clearly not alone.

It's not a question of whether we will need to borrow to help meet our obligations, but when.

The tough decisions we have made and proposed so far will only get us to a \$344 million fund balance as of June 30th and a \$494 million ending fund balance as of September 30th.

In volatile economic times such as this, that type of surplus is the equivalent of a "rounding error" and could disappear in a flash.

Keep in mind, our analysts predict that should we see a second surge of the virus, in the fall for example, we could be looking at an additional revenue shortfall of \$1 billion...meaning even more difficult budget adjustments will need to be made.

The only certainty right now is that the forecasting situation is extremely uncertain.

There is near universal agreement – from Treasury, from OLS, and from economists across the country – that revenue projections are subject to extreme volatility.

The \$2.4 billion from the federal Coronavirus Relief Fund that we have received to date will certainly help weather this storm...

...but without more robust AND flexible federal aid, as well as the ability to borrow...

...the cuts that will be necessary to produce a balanced FY 2021 budget will be devastating to New Jerseyans and to our economy.

Chairwoman, I want to thank you for recognizing how crucial it is that we have this option and for your sponsorship of this important legislation.

Thank you all for your time and we are happy to take any questions now.

###

EXHIBIT D



State of New Jersey

REPORT ON THE
**FINANCIAL CONDITION
OF THE STATE BUDGET**
FOR FISCAL YEARS 2020 AND 2021

PHILIP D. MURPHY, GOVERNOR
SHEILA Y. OLIVER, LT. GOVERNOR



State of New Jersey
Office of the State Treasurer
PO BOX 002
TRENTON NJ 08625-0002

PHILIP D. MURPHY
Governor
Sheila Y. Oliver
Lt. Governor

Elizabeth Maher Muoio
State Treasurer

May 22, 2020

Dear Senate President Sweeney, Assembly Speaker Coughlin, Minority Leaders Kean and Bramnick, and Members of the 218th Legislature:

Pursuant to the COVID-19 Fiscal Mitigation Act (P.L.2020, c.19), I present to you a report on the financial condition of the State budget for both Fiscal Years 2020 and 2021.

This report is designed to serve as a road map to help New Jersey begin to navigate what is essentially uncharted territory. We are not alone. All across the country, states are facing similar challenges that seemed inconceivable just a few short months ago.

As a state, we had made great strides over the last two years to improve our fiscal condition - making record payments into the pension system, increasing our surplus significantly, making our first rainy day fund deposit in a decade, substantially boosting funding for education and NJ TRANSIT, and reducing our reliance on one-shots and diversions.

However, the global pandemic sparked by COVID-19 has halted this progress in its tracks.

Based on a wide variety of economic assumptions, the State of New Jersey is potentially facing a combined revenue shortfall of nearly \$10 billion over the remaining months of Fiscal Year 2020 and through the end of Fiscal Year 2021.

While there are many moving parts, what is clear is that a decline of this magnitude would be worse than the Great Recession. This means the sizeable surplus and rainy day fund we have built together will easily be depleted.

Managing this unprecedented fiscal crisis will require extremely difficult decisions in the weeks and months ahead, and will necessitate a combination of critically needed borrowing, budget and appropriation adjustments, and more robust federal assistance. While the enclosed report outlines the Administration's proposed path through the extended fiscal year ending September 30, 2020, we recognize the significant challenge that lies ahead in the development and passage of the FY2021 Appropriations Act.

As we have already seen, times of great trial only increase the need for governmental services and leadership. Our primary goal from day one has been to ensure first and foremost that our departments and agencies have the resources they need to address this brutal health crisis. Now, we must work together with that same determination to address an unprecedented fiscal crisis and firmly position New Jersey on the road to recovery.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elizabeth Maher Muoio".

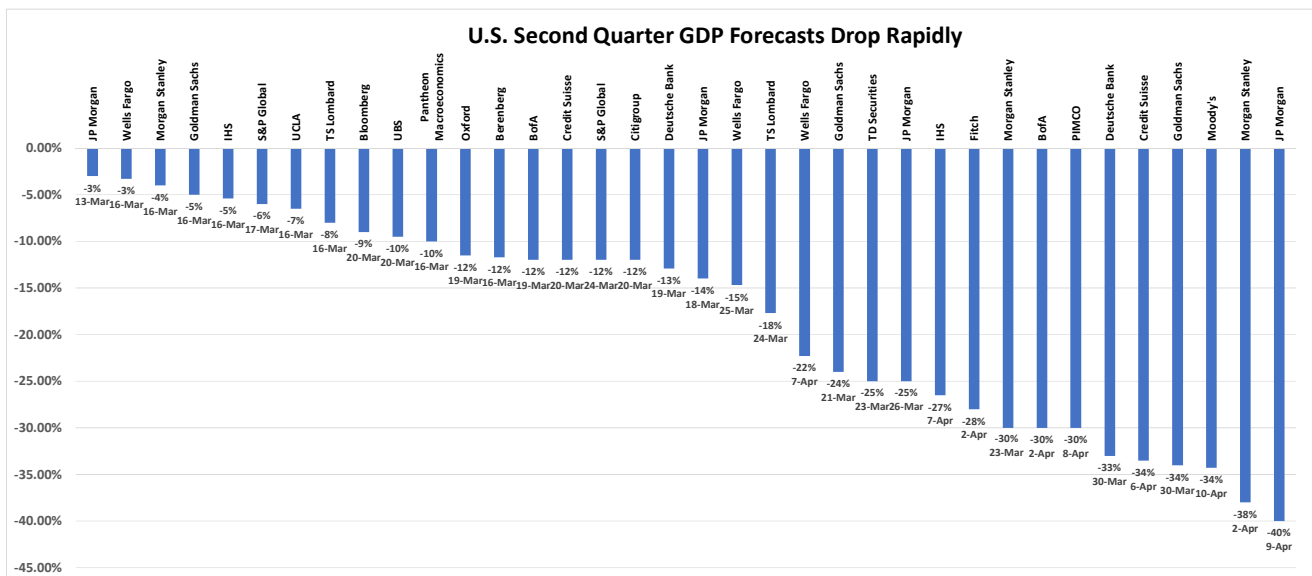
Elizabeth Maher Muoio
State Treasurer

Part 1: ASSESSMENT OF CURRENT ECONOMIC CONDITIONS

Economic Conditions

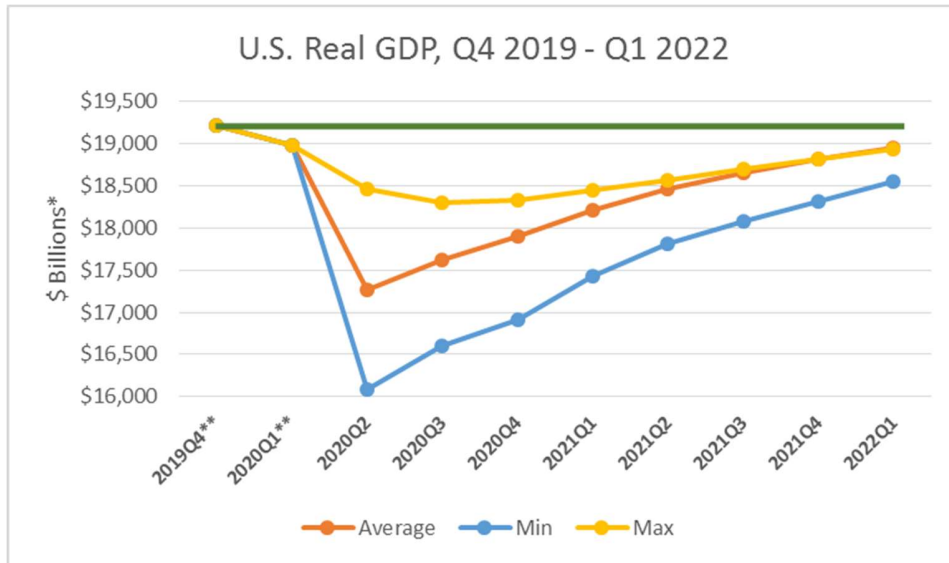
The onset of the COVID-19 health pandemic has created a global economic crisis that the world has not seen since the Great Depression nearly a century ago, and a health crisis not seen since the 1918 Spanish Flu pandemic. As a result, the Blue Chip Consensus Forecast is now predicting a 24.5 percent drop in national real GDP in the second quarter of 2020, with the range of individual forecasts varying from a 12.9 percent decline (average of the 10 “best case” forecasts) to a 36.9 percent decline (average of the 10 “worst case” forecasts).

The magnitude of the projected national real GDP decline in the second quarter is unprecedented, but so is the speed at which professional economic forecasters have revised their projections downward. In February most national forecasters were projecting low rates of growth for all quarters in 2020. Then, beginning in the middle of March and continuing for the next four weeks, as is shown in the graph below, most professional economic forecasters participated in a race to the bottom as forecasts plummeted. This rapidly devolving economic forecasting environment complicated an increasingly daunting revenue forecasting situation.



In little more than one month's time it has now become a foregone conclusion that both the national and state economies will enter a recession in 2020. The advance estimate of real GDP growth for the U.S. during the first quarter of 2020 shows that economic activity declined by 4.8 percent on an annualized basis. There is no question that real GDP growth will be negative during the second quarter. The only question is how severe and how lasting the drop will be.

The economic ramifications of the COVID-19 health pandemic are described well in an April 24th blog post by the Congressional Budget Office (CBO). Economists at the CBO are projecting economic activity for the U.S. to decline by 39.6 percent in the second quarter. While growth will rebound in the second half of 2020, averaging 17.0 percent during this time, followed by 2.8 percent growth in 2021, the CBO expects the actual dollar value of real GDP for the U.S. at the end of 2021 to be 6.7 percent *below* its pre-COVID-19 projection.



*Seasonally adjusted at annual rates. **Actuals.

Note: Real GDP values are calculated based on the annualized quarterly rates of change reported by each firm included in the WSJ survey.

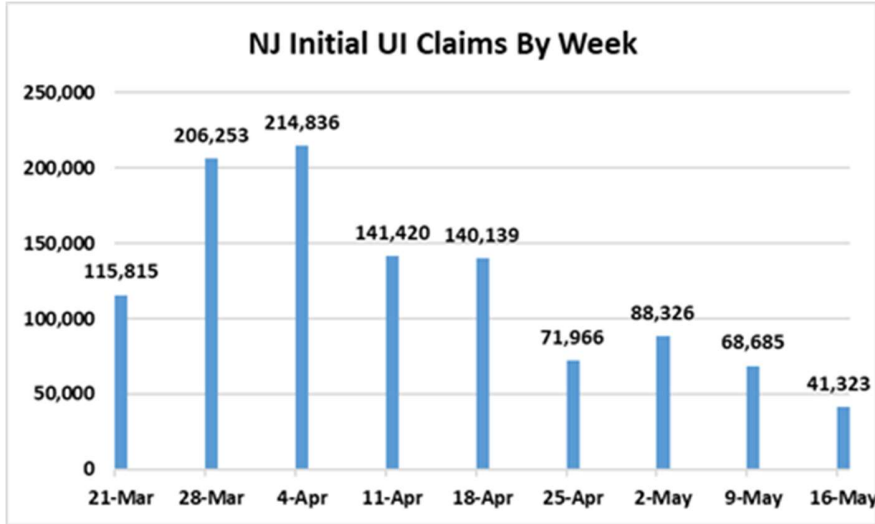
Source: Wall Street Journal Economic Forecasting Survey, May 8-12 2020

(<https://www.wsj.com/graphics/econsurvey/>); U.S. Bureau of Economic Analysis; OREA calculations.

Full recovery may take years. The graph above shows the range of projected real GDP trajectories through the first quarter (Q1) of 2022 based on survey responses from the May 2020 edition of the Wall Street Journal Economic Forecasting Survey. The minimum and maximum forecast lines represent the average quarterly GDP level of the five forecasts with the lowest Q2 2020 values and the five forecasts with the highest Q2 2020 values, respectively. While most forecasts are projecting positive growth beginning in Q3 2020, real GDP does not return to pre-COVID-19 levels (the horizontal green line in the graph) until mid-2022 at the earliest.

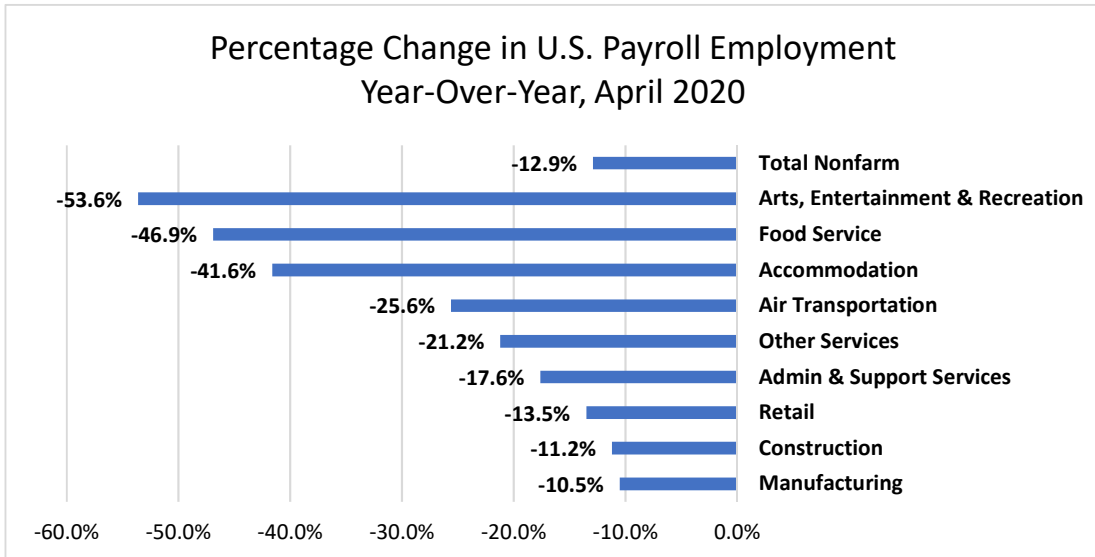
Based on a review of recent state-level forecast data, the trajectory of New Jersey's recession and recovery will be similar to that of the nation, reflecting the very real possibility that the state economy's productive output may not be fully restored to last year's levels for another two years or more.

The unemployment picture is also deteriorating rapidly. Nationally, over 38 million people have filed unemployment claims since the onset of the pandemic. In New Jersey the total claims filed (not all processed) since the pandemic began reached 1,088,763 through May 16. This total is equivalent to roughly 27 percent of the total insured in the state. The graph below displays initial unemployment claims by week; the weekly average for the period was 120,974. For comparison, the average number of weekly initial claims filed for the six-week period ending March 7 was 8,385.



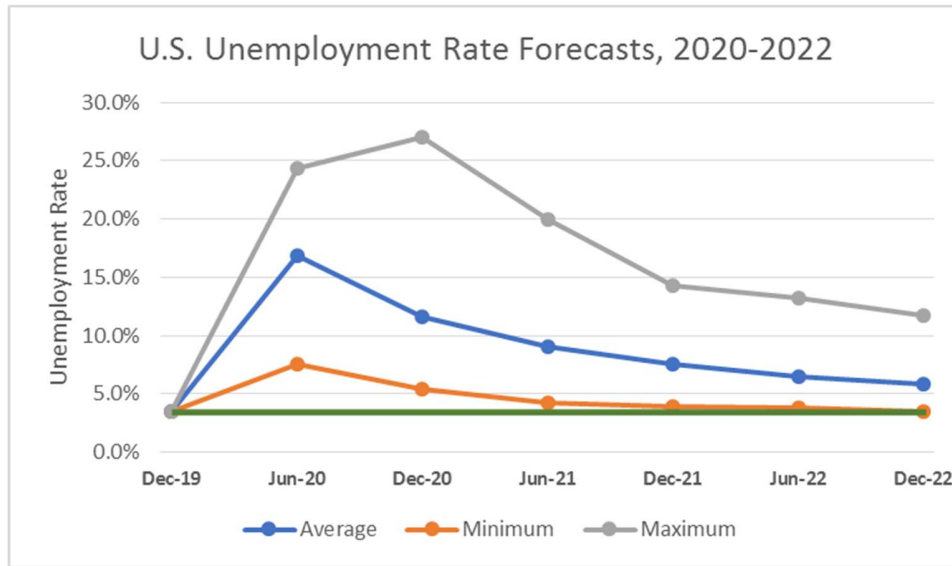
Source: U.S. Bureau of Labor Statistics.

The current surge in unemployment claims will have a significant impact on the reported monthly unemployment rate. In April, national unemployment rose to 14.7 percent, the highest level since the Great Depression nine decades ago, and payroll employment declined by 20.5 million jobs. The graph below shows the year-over-year employment growth rates for key sectors.



Source: U.S. Bureau of Labor Statistics.

New Jersey's unemployment rate rose to 15.3 percent in April. Those rates for both the state and the nation are expected to rise further in the short term and remain high well into next year. The CBO projects that the national unemployment rate will *average* 15.0 percent during the second and third quarters of 2020 and then begin to decline, reaching 9.5 percent by the end of 2021.



Source: Wall Street Journal Economic Forecasting Survey, May 8-12 2020 (<https://www.wsj.com/graphics/econsurvey/>).

The graph above displays the projected average, minimum and maximum national unemployment rates for June and December of 2020 through 2022 taken from the forecasts included in the Wall Street Journal’s May 2020 Economic Forecasting Survey. While the direst forecasts see the national unemployment rate spiking over 20 percent in Q2 and continuing to climb through the remainder of the year, on average forecasters expect an increase to about 17 percent in June, followed by a slow decline that will not return the nation to its historic lows of late 2019 (3.5 percent) by the end of 2022.

Again, based on a review of non-public forecasts for New Jersey, the state’s employment trajectory is expected to be similar to that of the U.S. average. As a point of reference, the national unemployment rate *peaked* at 10.0 percent during the 2008-09 Great Recession, while the New Jersey rate *peaked* at 9.8 percent.

The impact of the economic damage on New Jersey revenues will last well into Fiscal Year 2021 (FY21) and beyond. Spending will continue to be impacted well after the economic and social restrictions are lifted, as many residents will be in arrears on rent, utility bills and other debts that will need to be repaid. Although businesses will be able to re-open, they will face lower demand for their goods and services. They will also face several months of back-rent and supplier invoices that will need to be repaid. The job recovery is expected to be slow.

The revenue scenario described below assumes that New Jersey’s “stay-at-home” order remains largely in effect through June (a period of three-and-a-half months). The experiences of other countries across the globe indicate that economic activity does not return to normal as soon as the lockdown expires. Social distancing measures will need to remain in effect in some form as long as the virus continues to spread or until a vaccine is found.

Part 2: UPDATE ON STATE REVENUES AND FORECASTS

Initial April Tax Revenue Data: Tax revenue collection figures for April provide a first look at the impact of the COVID-19 health pandemic on New Jersey. Overall, Treasury reported total collections fell \$3.5 billion below April of 2019, down 59.7 percent. Sales Tax collections ended the month 13.7 percent lower than a year ago, while employer withholding fell about 7.0 percent for the comparable weeks in April. Meanwhile, corporate and individual tax filings plummeted by 60 percent to 90 percent, as taxpayers clearly availed themselves of the opportunity to delay payments from April to July, as temporarily allowed by law.

As bad as April collections were, May will be worse for many revenues. April Sales Tax collections reflect March sales. As it was not until the middle of the month that non-essential businesses were ordered to close, April collections do not fully capture the impact of the economic shutdown. Moreover, March sales benefitted from consumers buying in preparation for the lockdown. Similarly, unemployment insurance claims steadily rose over the course of April, suggesting that the full impact of the job losses will not be felt until May.

The Revenue Forecasts: The forecasts below are based on the best available information at this point in time and are subject to revision as the current, unprecedented landscape continues to evolve. It is important to note that the virus will dictate the outcome of this economic and health crisis and that prior economic downturns do not necessarily serve as appropriate models for forecasting purposes under the current conditions. As such, the situation will remain highly volatile for some time as states slowly ease out of lockdown during the summer and remain on watch for a possible resurgence of COVID-19 infections in the fall and winter. Moreover, *this current forecast does not assume a resurgence.* The forecast also does not include any new tax policy proposals for FY 2021 as recommended in the Governor’s Budget Message (GBM), in order to provide a clean baseline for understanding budget planning needs during the current pandemic.

The following forecasts are displayed in the traditional **12-month** (July 1, 2019 to June 30, 2020) format of the FY 2020 Appropriations Act as enacted and as updated in the February 25 GBM, providing a uniform analytical baseline. FY 2020 revenues under the September 30 extended fiscal year are discussed later in this report.

FY 2020 and FY 2021 Revenue Forecast Summary						
Millions of Dollars						
	FY 2020 GBM	FY20 Revised May 22	FY 2020 Change	FY 2021 GBM	FY21 Revised May 22	FY 2021 Change
Gross Income Tax	\$16,801.5	\$15,890.6	-\$910.9	\$17,795.3	\$13,840.4	-\$3,954.9
Sales Tax	\$10,406.5	\$9,276.0	-\$1,130.5	\$10,774.0	\$9,246.5	-\$1,527.5
Corporation Business Tax	\$3,897.0	\$3,445.1	-\$451.9	\$3,831.0	\$2,603.3	-\$1,227.7
<u>Other Revenues</u>	<u>\$8,360.1</u>	<u>\$8,121.5</u>	<u>-\$238.6</u>	<u>\$8,761.2</u>	<u>\$8,264.3</u>	<u>-\$496.9</u>
Total Budget Revenues	\$39,465.1	\$36,733.2	-\$2,731.9	\$41,161.5	\$33,954.5	-\$7,207.0

These numbers are estimates and subject to change.

As is shown in the table above, FY 2020 budget revenues of \$36.733 billion are projected to be \$2.732 billion, or 6.9 percent, lower than the GBM forecast, while FY 2021 budget collections of \$33.955 billion are projected to be \$7.207 billion, or 17.5 percent, lower than the GBM.¹

*Thus, the estimated budget revenue shortfalls for FY 2020 and FY 2021 equal approximately \$9.939 billion combined.*²

Selected important revenue assumptions are described below. The discussion generally assumes a sharp drop in certain revenues in the spring and summer months of 2020 followed by a gradual improvement in subsequent months through 2021.

Gross Income Tax (GIT): FY 2020 revenues are projected to be \$910.9 million, or 5.4 percent, lower than the GBM forecast, while FY 2021 collections are projected to be \$3.955 billion, or 22.2 percent lower.

- **Employer Withholding:** FY 2020 revenues are projected to be \$410.9 million, or 3.4 percent, lower than the GBM forecast, while FY 2021 collections are projected to be \$1.659 billion, or 13.1 percent, lower.
 - **April 2020:** Employer withholding declined by approximately 7.0 percent after adjusting for the difference in the number of Wednesday collection days.
 - **May 2020 thru July 2020:** Employer withholding is forecast to decline by 13.0 percent year-over-year during the remainder of the “stay-at-home” orders and extending into July as businesses are slow to recover, while others may not open at all.
 - **August 2020 thru January 2021:** Employer withholding is forecast to decline by 12.0 percent in August, tapering to a 7.5 percent decline by January, year-over-year. The continuation of social distancing measures means that businesses will be operating well below full capacity. For example, tables at restaurants will need to be at least six feet apart, meaning restaurants will be serving significantly fewer customers at any given time.

Consumers and businesses will begin to adapt, which is why the decline in collections is expected to moderate over time. This scenario is based on the assumption that there is no resurgence of COVID-19 infections during the fall and winter.

- **February 2021 thru June 2021:** Employer withholding is forecast to decline by 5.0 percent in February, tapering to a 2.5 percent decline by June 2021, year-over-year. The economy continues to recover but collections remain below pre-COVID-19 levels.

¹ The State revenue forecasts in this report do not assume a resurgence of COVID-19 cases later in 2020 or in 2021. Health experts continue to warn about a resurgence in the fall or winter. Under the alternative of a fall resurgence, FY 2021 revenues are projected to decline by an additional \$1.065 billion, yielding a potential total revenue shortfall of \$8.272 billion in FY 2021. Any additional waves of the pandemic, such as in the spring of 2021, could further negatively impact FY 2021 revenues with potential carry over into FY 2022.

² This compares to a stress test analysis recently conducted by Moody’s Analytics for all states in which their projected shortfalls for New Jersey, through the end of FY 2021, totaled \$9.6 billion under their “baseline scenario” and \$13.2 billion under a “severe scenario.” See *Stress-Testing States: COVID-19*, Moody’s Analytics, April 14, 2020.

- **Final Payments:** Although Tax Year 2019 liabilities are not affected by the COVID-19 health pandemic, the significant amount of jobs and income lost as a result of the pandemic means that some individuals may experience cash-flow problems and therefore will not be able to make their full final payment as scheduled. It is not possible to accurately quantify the magnitude of this concern, however, the forecast assumes a 10.0 percent reduction in final payments as a potential shortfall in final payments during the new July 15th due date.

FY 2021 final payments for Tax Year 2020 are projected to be \$1.359 billion, or 32.3 percent, lower due to the impact from the anticipated severe recession on personal income, business profits and capital gains.

- **Estimated Payments:** FY 2020 estimated payments are projected to be \$174.2 million, or 5.5 percent, lower than the GBM forecast, while FY 2021 collections are projected to be \$832.2 million, or 23.7 percent, lower.
 - **1st Quarter Estimated Payments (April):** Results indicate that approximately one-quarter of forecasted revenues was received. Taxpayers clearly responded to the opportunity to delay both their final and estimated payments. The forecast assumes that 75 percent of the balance will be received as taxpayers have the opportunity to adjust their estimated payments in light of the recent economic downturn.
 - **2nd Quarter Estimated Payment (June):** Taxpayers are likely to also delay their June estimated payment. The forecast assumes that behavior will be similar to April. Approximately one-quarter of forecasted revenues will be received by June 15th, while 75 percent of the balance will be received by July 15th.
 - **3rd Quarter Estimated Payments (September):** Collections are forecast to decline 15.0 percent year-over-year as the stock market remains below pre-COVID-19 levels, while business income over the first half of calendar year 2020 is lower as a result of the COVID-19 health pandemic.
 - **4th Quarter Estimated Payments (January):** Collections are forecast to decline 20.0 percent year-over-year as taxpayers continue to adjust estimated payments in response to a lower stock market as well as reduced business income.

Sales and Use Tax: FY 2020 revenues are projected to be \$1.131 billion, or 10.9 percent, lower than the GBM forecast, while FY 2021 revenues are projected to be \$1.528 billion, or 14.2 percent, lower.

April 2020: New data indicates that April collections were 13.7 percent lower year-over-year. April collections were for March economic activity and March is a complex month because non-essential businesses were not closed until March 16th, while the “stay-at-home” order did not go into effect until March 21st. Consumer spending also received a boost in March as consumers prepared for a potentially lengthy lockdown by purchasing goods such as exercise equipment, freezers, and electronic equipment in preparation for both working at home and children learning at home.

- **May 2020 thru July 2020:** Sales Tax collections are forecast to decline by 33.0 percent year-over-year during the duration of the “stay-at-home” order (April through June economic activity).

- **August 2020 thru March 2021:** Sales Tax collections are forecast to decline by between 25.0 percent and 5 percent year-over-year as social distancing measures remain in place despite the lifting of the lockdown. Businesses, including restaurants & bars, are not able to return to full capacity, while consumers are reluctant to spend, in part because of the continued presence of COVID-19 and in part due to concern about the health of the economy.

Sales Tax collections are forecast to decline by 15.0 percent year-over-year during the holiday spending season. As a point of reference, holiday spending declined by 10.0 percent during the Great Recession. The reduction in spending is even worse now given the more severe economic damage coupled with disruptions to the supply chain.

- **April 2021 thru July 2021:** Sales Tax collections are forecast to increase between 10.0 percent and 65.0 percent year-over-year because collections during the spring of 2020 were so abnormally low. However, revenues are still not expected to return to pre-COVID-19 levels.

Corporation Business Tax (CBT): FY 2020 revenues are projected to be \$451.9 million, or 11.6 percent, lower than the GBM forecast, while FY 2021 revenues are projected to be \$1.228 billion, or 32.0 percent lower. The projected two-year decline between the CBT revenue peak in FY 2019 and FY 2021 is 35.4 percent, similar to the two-year decline between FY 2008 and the CBT low-point in FY 2010 due to the Great Recession.

Forecasting CBT revenues is difficult under normal circumstances and becomes even more challenging when faced with an unprecedented situation such as the current health pandemic. April collections indicate that between 33.0 percent and 50.0 percent of projected final and estimated payments was received.

It is likely that the balance of projected revenues will be received during the revised July 15th tax filing deadline. However, a large amount of overpayment credits that companies have banked with the State of New Jersey over the years looms over CBT revenues. This forecast assumes that only half of the remaining payment will be received. It should be a straightforward process for companies to claim their overpayment credits since the money is theirs and doing so may be logical from a tax planning perspective.

Overall, CBT final payments are projected to end FY 2020 \$241.3 million, or 17.1 percent below the GBM forecast, while FY 2021 final payments are projected to be \$570.7 million, or 42.7 percent below GBM. Meanwhile, estimated payments are projected to end FY 2020 \$199.1 million, or 7.3 percent below the GBM forecast, while FY 2021 estimated payments are projected to be \$510.8 million, or 19.0 percent below forecast.

Selected Other Major Taxes:

- **Motor Fuels Tax:** FY 2020 revenues are projected to be \$65.4 million, or 13.5 percent lower than the GBM forecast. Collections are projected to decline between 40.0 percent and 50.0 percent during the duration of the lockdown. FY 2021 revenues are projected to be \$71.0 million, or 15.1 percent lower than the GBM forecast.
- **Petroleum Products Gross Receipts Tax:** FY 2020 revenues are projected to be \$169.0 million, or 11.6 percent below the GBM forecast. PPGR revenues are projected to decline in line with the Motor Fuels Tax. FY 2021 revenues are projected to be \$203.0 million, or 14.3 percent lower than the GBM forecast.

- **Casino Revenues:** FY 2020 revenues are projected to be \$27.9 million, or 9.6 percent below the GBM forecast. Sports betting revenues are expected to be non-existent for the remainder of the fiscal year given the absence of events. However, internet gaming revenues have increased sharply to help cushion the loss of revenue from brick & mortar casinos. The Division of Gaming Enforcement does expect Casino Revenues to recover in FY 2021, although they are still projected to be \$12.4 million, or 4.0 percent lower than the GBM forecast
- **Realty Transfer Fee:** FY 2020 revenues are projected to be \$60.6 million, or 15.7 percent lower than the GBM forecast. Although realtors are allowed to show homes to individuals, data from the New Jersey Realtors indicated that pending sales had already declined by 27.8 percent as early as March.

The significant amount of jobs lost will hurt home sales for the near future. As a result, FY 2021 revenues are projected to be \$134.5 million, or 33.8 percent below the original GBM forecast.

For additional revenue forecast amounts for other major taxes, see the more detailed table on the next page. The remainder of this report will describe the revenues and appropriations for the extended September 30 fiscal year.

FY 2020 and FY 2021 REVENUE DETAIL (12 Month Forecasts)

FY 2020 and FY 2021 Revenue Forecast Summary						
Millions of Dollars						
	FY 2020 GBM	FY20 Revised May 22	FY 2020 Change	FY 2021 GBM	FY21 Revised May 22	FY 2021 Change
Gross Income Tax	\$16,801.5	\$15,890.6	-\$910.9	\$17,795.3	\$13,840.4	-\$3,954.9
Sales Tax	\$10,406.5	\$9,276.0	-\$1,130.5	\$10,774.0	\$9,246.5	-\$1,527.5
Corporation Business Tax	\$3,897.0	\$3,445.1	-\$451.9	\$3,831.0	\$2,603.3	-\$1,227.7
Other Revenues						
Energy Tax Receipts - Sales Tax	\$788.5	\$788.5	\$0.0	\$788.5	\$788.5	\$0.0
Sales Energy	\$50.5	\$23.7	-\$26.8	\$50.5	\$50.5	\$0.0
Sales Tax Dedication	-\$824.6	-\$738.0	\$86.6	-\$852.3	-\$737.1	\$115.2
CBT-Energy	\$22.0	\$4.7	-\$17.3	\$22.0	\$6.5	-\$15.5
Motor Fuels Tax	\$485.0	\$419.6	-\$65.4	\$470.5	\$399.5	-\$71.0
Motor Vehicle Fees	\$465.6	\$404.7	-\$60.9	\$463.5	\$515.3	\$51.8
Transfer Inheritance Tax	\$389.5	\$358.4	-\$31.1	\$403.0	\$359.0	-\$44.0
Estate Tax	\$25.5	\$22.0	-\$3.5	\$10.0	\$10.0	\$0.0
Casino Revenue	\$290.7	\$262.8	-\$27.9	\$308.9	\$296.5	-\$12.4
Insurance Premiums Tax	\$557.5	\$654.7	\$97.2	\$557.5	\$543.5	-\$14.0
Cigarette Tax	\$71.1	\$81.2	\$10.1	\$257.5	\$53.6	-\$203.9
Petroleum Products Gross Receipts Tax	\$1,460.0	\$1,291.0	-\$169.0	\$1,422.5	\$1,219.5	-\$203.0
Petroleum Products Gross Receipts Cap Rese	-\$725.5	-\$491.1	\$234.4	-\$619.6	-\$345.6	\$274.0
CBT Banks & Financial Institutions	\$305.5	\$264.5	-\$41.0	\$175.5	\$119.7	-\$55.8
Alcoholic Beverage Excise Tax	\$114.5	\$105.0	-\$9.5	\$117.0	\$107.0	-\$10.0
Realty Transfer Tax	\$387.0	\$326.4	-\$60.6	\$398.5	\$264.0	-\$134.5
Tobacco Products Wholesale Tax	\$31.6	\$29.7	-\$1.9	\$33.6	\$31.1	-\$2.5
Public Utility Excise Tax	\$28.0	\$28.2	\$0.2	\$29.5	\$29.0	-\$0.5
Opioid Prescription Tax	\$0.0	\$0.0	\$0.0	\$20.0	\$0.0	-\$20.0
Franchise & Gross Receipts Tax	\$123.0	\$123.0	\$0.0	\$125.5	\$125.5	\$0.0
Real Assessment on Prop. > \$1.0 M	\$139.0	\$124.5	-\$14.5	\$143.0	\$130.0	-\$13.0
Hotel / Motel Occupancy Tax	\$120.0	\$86.3	-\$33.7	\$124.0	\$76.8	-\$47.2
Ride Share	\$36.0	\$30.0	-\$6.0	\$38.0	\$24.0	-\$14.0
Sports Betting (GF Share)	\$18.2	\$19.1	\$0.9	\$19.2	\$24.5	\$5.3
Other Miscellaneous Taxes & Fees	\$3,525.5	\$3,408.9	-\$116.6	\$3,742.9	\$3,604.4	-\$138.5
Interfund Transfers	\$476.0	\$493.7	\$17.7	\$512.0	\$568.6	\$56.6
Other Revenues Total	\$8,360.1	\$8,121.4	-\$238.7	\$8,761.2	\$8,264.3	-\$496.9
Total Budget Revenues	\$39,465.1	\$36,733.2	-\$2,731.9	\$41,161.5	\$33,954.5	-\$7,207.0
These numbers are estimates and subject to change.						

FY 2021 REVENUE DETAIL (Allocated for 3 month/9 month Split)

FY 2021 Revenue Recast for 3-Month Extended FY 2020				
Millions of Dollars				
	FY 2021 GBM	FY21 Revised May 22	3 Months for FY20	9 Months for FY21
Gross Income Tax	\$17,795.3	\$13,840.4	\$2,831.6	\$11,008.8
Sales Tax	\$10,774.0	\$9,246.5	\$2,108.0	\$7,138.5
Corporation Business Tax	\$3,831.0	\$2,603.3	\$723.9	\$1,879.4
Other Revenues				
Energy Tax Receipts - Sales Tax	\$788.5	\$788.5	\$46.5	\$742.0
Sales Energy	\$50.5	\$50.5	\$0.0	\$50.5
Sales Tax Dedication	-\$852.3	-\$737.1	-\$156.6	-\$580.5
CBT-Energy	\$22.0	\$6.5	\$2.0	\$4.5
Motor Fuels Tax	\$470.5	\$399.5	\$92.5	\$307.0
Motor Vehicle Fees	\$463.5	\$515.3	\$167.7	\$347.6
Transfer Inheritance Tax	\$403.0	\$359.0	\$91.5	\$267.5
Estate Tax	\$10.0	\$10.0	\$3.0	\$7.0
Casino Revenue	\$308.9	\$296.5	\$75.0	\$221.3
Insurance Premiums Tax	\$557.5	\$543.5	-\$5.5	\$549.0
Cigarette Tax	\$257.5	\$53.6	\$0.0	\$53.6
Petroleum Products Gross Receipts Tax	\$1,422.5	\$1,219.5	\$273.0	\$946.5
Petroleum Products Gross Receipts Cap Reserve	-\$619.6	-\$345.6	\$0.0	-\$345.6
CBT Banks & Financial Institutions	\$175.5	\$119.7	\$41.5	\$78.2
Alcoholic Beverage Excise Tax	\$117.0	\$107.0	\$16.5	\$90.5
Realty Transfer Tax	\$398.5	\$264.0	\$64.0	\$200.0
Tobacco Products Wholesale Tax	\$33.6	\$31.1	\$4.4	\$26.7
Public Utility Excise Tax	\$29.5	\$29.0	\$0.0	\$29.0
Opioid Prescription Tax	\$20.0	\$0.0	\$0.0	\$0.0
Franchise & Gross Receipts Tax	\$125.5	\$125.5	\$46.6	\$78.9
Real Assessment on Prop. > \$1.0 M	\$143.0	\$130.0	\$40.2	\$89.8
Hotel / Motel Occupancy Tax	\$124.0	\$76.8	\$15.3	\$61.4
Ride Share	\$38.0	\$24.0	\$6.0	\$18.0
Sports Betting (GF Share)	\$19.2	\$24.5	\$2.8	\$21.7
Other Miscellaneous Taxes & Fees	\$3,742.9	\$3,604.4	\$910.7	\$2,693.8
Interfund Transfers	\$512.0	\$568.6	\$360.9	\$207.8
Other Revenues Total	\$8,761.2	\$8,264.3	\$2,098.2	\$6,166.1
Total Budget Revenues	\$41,161.5	\$33,954.5	\$7,761.7	\$26,192.8

These numbers are estimates and subject to change.

PART 3: DETAILED SPENDING PLAN FOR FY2020

As required by the COVID-19 Fiscal Mitigation Act, P.L.2020, c.19, the Department of the Treasury (hereafter “the Department”) is submitting a revised spending plan for Fiscal Year 2020 (FY 2020). Despite the extension of FY 2020, financial reporting for the State and its component units will continue to be prepared and reported for the twelve month period ended June 30, 2020.³ Thus, the revised spending plan contained within this report is presented in two parts: for the period ending June 30, 2020 and for the extended period beginning July 1, 2020 through September 30, 2020.

At the time of the Governor’s Budget Message in February, the Department had projected a total closing fund balance through June 30, 2020 of \$1.5 billion, including \$732 million projected in the Surplus Revenue Fund (SRF), also known as the Rainy Day Fund. However, given the unprecedented economic impact of the current pandemic, revenues through June 30 are expected to decline by \$2.7 billion. This decline does not include any revenue that might be deferred as a result of the extension of the federal and state tax filing and payment deadlines to July 15, 2020, since any deferred revenue collected in July will be accrued back to the period ending June 30, 2020. This revenue forecast results in a revised projected fund balance of negative \$1.2 billion, requiring drastic actions on the part of the administration in order for the State to continue the delivery of mandatory services while maintaining a positive fund balance.

In response to the pandemic and at the direction of the Governor, the Department of the Treasury, took several steps to ensure the State remained in a solvent financial position.

These steps included:

- Review of State spending across all branches of government and placement of approximately \$1 billion of available appropriations into reserve. This list is monitored and adjusted on an ongoing basis and includes, with certain exceptions, 50 percent of all uncommitted non-salary operating funds (other than funding needed to provide full-time care at State institutions); 50 percent of higher education operating aid; 50 percent of all uncommitted revolving and dedicated funding; and 100 percent of all non-entitlement, discretionary grants-in-aid, and state aid funding, including Homestead Rebates.
- Transfer of the entire \$421 million Surplus Revenue Fund (SRF) to the undesignated General Fund balance to help offset the anticipated shortfall and the planned additional deposit on June 30, 2020 will not be made.
- Implementation of a statewide hiring freeze with the exception of COVID-19 related needs.
- Limitation of hourly and temporary employees.
- Coordination with vendor partners to obtain better procurement terms and conditions for new contracts and extensions.
- Ongoing review and approval by the Office of Management and Budget of department spending and contracting.

³ In accordance with auditing standards, the financial statements prepared by the State should provide for the consistent application of Generally Accepted Accounting Principles (GAAP). As such, the State needs to remain with consistent 12 month financial reporting periods ending on June 30 regardless of the temporary change in budget fiscal year.

- Cancelling and reserving of pre-encumbrances will result in deferral or elimination of planned department spending.

FY2020 Deappropriations	
(In Thousands)	
Lapses as of February Governor's Budget Message	\$295,109
Additional Deappropriations:	
Surplus Medicaid Balances	\$397,257
Homestead Benefit Program	\$135,000
Senior Public College Operating Aid	\$102,760
Opioid Funding	\$67,996
Legislative Additions	\$45,649
ERG Grants	\$37,914
Transitional Aid Surplus	\$29,987
Mental Health & Addictions Services Trend	\$29,466
Higher Education Capital Improvement Fund Debt Service *	\$24,094
Judiciary Balances	\$21,000
25% of Non Salary Operating Funds Reserved	\$20,146
Employer Taxes	\$16,417
WFNJ Child Care Trend & Federal Funds Offset	\$14,060
OLS & Miscellaneous Legislative Commissions Carryforward	\$12,666
LPS Expungement Unit Surplus	\$12,000
Uncommitted Lead-Safe Home Renovation Funding	\$10,000
County College Operating Aid	\$9,730
NJBUILD Carryforward Balances	\$8,077
Central Motor Pool Carryforward Balances	\$8,000
Prior Year Lapses	\$7,931
FEMA Reimbursement for Prior Year Dredging Expenses	\$5,300
Housing Assistance for Veterans	\$5,000
Unused Capital Projects Balances	\$4,807
Statewide Assessment Program Savings	\$4,800
Brownfields Grants	\$3,634
Corrections Purchase of Community Services Trend	\$3,500
DEP Carryforward Balances from Delayed IT Project	\$3,000
Highlands Planning Grants	\$3,000
NJSEA Operations Subsidy Surplus	\$3,000
Office of Homelessness Prevention Carryforward Balances	\$3,000
Other Operating and Carryforward Surpluses < \$2M	
Environmental Protection	\$4,639
Law & Public Safety	\$3,838
Human Services	\$3,407
Agriculture	\$3,364
State	\$3,531
Treasury	\$2,364
Children & Families	\$2,088
Motor Vehicle Commission	\$2,000
Education	\$1,171
Banking & Insurance	\$400
Community Affairs	\$277
Less:	
Normal Lapse (Will not Occur Until 9/30)	(\$50,000)
Deappropriations as of May 22, 2020	\$1,321,379
* Offset by decreased revenue.	

- Deferral of other planned FY 2020 spending, including the pension contribution related to the revised experience study (\$279 million); the pension contribution to offset certain lottery shortfalls; the proposed lead infrastructure program in DEP (\$80 million); and the deferral of Economic Redevelopment & Growth (ERG) grants (\$49 million).

These actions, among others, have enabled the Department to avoid a negative fund balance and instead project a positive fund balance of \$344 million as of June 30, 2020. In addition, based on the revised spending plan presented for consideration for the 90 day extended fiscal year ending September 30, 2020, a revised FY 2020 ending fund balance of \$494 million.

For the financial period ending June 30, 2020, the revised spending plan takes the above spending controls into consideration. Because departments must continue to operate over the next five weeks, further adjustments to the plan will be necessary, and the Department has established guidelines to ensure an adequate ongoing projected fund balance. The revised spending plan will require de-appropriations of approximately \$1.32 billion, including State balances available as the result of the application of certain federal revenues towards State spending included in the fund balance model.

In addition, all operating reserves not currently considered for de-appropriation or needed by departments for financial year close out, as well as any additional unanticipated balances, which is often referred to as normal lapse, will be retained in reserve until final FY 2020 revenues are

determined and to the extent necessary, lapsed at the end of FY 2020 to ensure positive fund balance.

All remaining unreserved funds will be made available to departments in the extended fiscal year pursuant to the proposed FY 2020 supplemental appropriations bill.

FY2020 Fund Balance				
12 Month Period Ending June 30, 2020				
(In Millions)				
	Approp	February	May	Change from
	Act	GBM	Revised	GBM
Undesignated Fund Balance	\$ 1,239	\$ 1,291	\$ 1,291	\$ -
CBT Open Space Reserve	110	111	111	-
Surplus Revenue Fund	401	421	421	-
Revenues				
Income	\$ 16,493	\$ 16,801	\$ 15,891	\$ (910)
Sales	10,242	10,406	9,276	(1,130)
Corporate	3,342	3,897	3,445	(452)
Other	8,440	8,361	8,121	(240)
Total Revenues	\$ 38,517	\$ 39,465	\$ 36,733	\$ (2,732)
Deappropriations	-	295	1,321	1,026
Total Resources	\$ 40,267	\$ 41,583	\$ 39,877	\$ (1,706)
Appropriations				
Original	\$ 38,720	\$ 38,720	\$ 38,720	\$ -
Supplemental	-	1,240	727	(513)
Total Appropriations	\$ 38,720	\$ 39,960	\$ 39,447	\$ (513)
CBT Open Space Reserve	(279)	(110)	(86)	24
Surplus Revenue Fund	(401)	(732)	-	732
Undesignated Fund Balance	\$ 867	\$ 781	\$ 344	\$ (437)
Surplus Revenue Fund	\$ 401	\$ 732	\$ -	\$ (732)
Total Combined Fund Balance	\$ 1,268	\$ 1,513	\$ 344	\$ (1,169)

FY2020 Fund Balance by Fund			
12 Month Period Ending June 30, 2020			
(In Millions)			
	General Fund/Other	Property Tax Relief Fund	Total
Undesignated Fund Balance	\$ 1,288	\$ 3	\$ 1,291
CBT Open Space Reserve	111	-	111
Surplus Revenue Fund	421	-	421
Revenues			
Income	\$ -	\$ 15,891	\$ 15,891
Sales	8,518	758	9,276
Corporate	3,445	-	3,445
Other	8,121	-	8,121
Total Revenues	\$ 20,084	\$ 16,649	\$ 36,733
Lapses	1,079	242	1,321
Total Resources	\$ 22,983	\$ 16,894	\$ 39,877
Appropriations			
Original	\$ 21,421	\$ 17,299	\$ 38,720
Supplemental	618	109	727
Total Appropriations	\$ 22,039	\$ 17,408	\$ 39,447
CBT Open Space Reserve	(86)	-	(86)
Surplus Revenue Fund	-	-	-
Year End GF/PTRF Adjustment	(514)	514	-
Undesignated Fund Balance	\$ 344	\$ -	\$ 344
Surplus Revenue Fund	\$ -	\$ -	\$ -
Total Combined Fund Balance	\$ 344	\$ -	\$ 344

Extended FY Budget Plan

The Governor's proposed supplemental budget for July 1 to September 30 defers and cuts essential spending in order to fulfill the constitutional obligation to maintain a balanced budget. The supplemental budget includes its allocable share of solutions totaling \$4.0 billion, including the elimination of \$849.7 million that the Governor proposed in late February:

Extended FY2020 Solutions

(In Thousands)

Department	Item	Amount
<u>Governor's Proposals Eliminated</u>		
Education	Year 3 of K-12 School Aid Formula	\$336,496
NJ Transit	Increase over FY20 General Fund Subsidy	\$132,000
Environmental Protection	Lead Infrastructure	\$80,000
Education	S2 Stabilization	\$50,000
Higher Education	Garden State Guarantee	\$50,000
Children & Families	Childrens System of Care Rate Increase	\$45,000
Education	Special Education & Transportation Collaboration	\$26,000
Education	Preschool Expansion - New Districts	\$25,000
Corrections	Hep C Testing and Treatment	\$21,547
Education	Nonpublic Security Aid - Per Pupil from \$150 to \$200	\$6,500
DHS - Mental Health	Psychiatrist Residencies and Justice Involved Mental Health Pilot	\$6,250
Community Affairs	Hudson County Reentry Pilot Program	\$6,000
Environmental Protection	NJ Infrastructure Bank	\$6,000
Community Affairs	Weequahic Park Senior Building	\$5,000
Community Affairs	Recreational Improvement Grants	\$5,000
Treasury	E-911 Grants	\$5,000
Community Affairs	Open Space PILOT Funding	\$3,517
DHS - Addiction Services	New Bridge Medical Center	\$3,000
Community Affairs	Repayment of Municipal Contribution to Mass Transit Facility	\$3,000
Community Affairs	Neighborhood Preservation	\$2,500
Law & Public Safety	Nonprofit Security Grant Program	\$2,050
Community Affairs	Prevention of Homelessness	\$2,500
Interdepartmental	Permitting Modernization	\$2,500
Environmental Protection	Harmful Algal Blooms	\$2,000
Treasury	Commission on Science and Technology	\$2,000
State	Business Marketing Initiative	\$2,000
Interdepartmental	9/11 Empty Sky Memorial	\$2,000
State	Primary Care Practitioner Loan Program	\$1,500
Health	Childhood Lead Outreach	\$1,500
Human Services	Office of Healthcare Affordability	\$1,500
Labor	Wage and Hour - Growth	\$1,000
Treasury	NJTV	\$1,000
University Hospital	Newark Emergency Medical Services	\$1,000
OSHE	State Policy Lab	\$1,000
Transportation	Pedestrian Safety Grants	\$1,000
Education	KEYS Academy	\$1,000

Medicaid	Increase Reimbursement for Midwife Care	\$1,000
Community Affairs	Newark Mayor's Brick City Peace Collective	\$750
DHS - Mental Health	Seton Hall Great Minds Campaign	\$500
Education	Restorative Justice In Education P.L.2019 c.412	\$500
Community Affairs	Hudson County Housing First Pilot Program	\$500
Community Affairs	Volunteer Income Tax Preparation Assistance	\$500
DHS - Mental Health	Rabbinical College Mental Health Initiative	\$300
Health	Implicit Bias Training	\$250
Education	Advanced Placement Fee Waiver	\$200
Community Affairs	Addressing Racial Bias Initiative	\$200
Community Affairs	Anti-Discrimination Training	\$200
Community Affairs	Wealth Disparity Taskforce	\$200
Community Affairs	Newark Public Library	\$200
Interdepartmental	Delaware River Basin Commission	\$200
State	NJ Historical Commission - Celebration of America	\$200
DHS - Mental Health	New Beginning Behavioral Health	\$195
Labor	Unity Community Center - Youth Development Training	\$150
Education	Jobs for New Jersey's Graduates	\$100
Education	Amistad Commission	\$75
State	Count Basie Center for the Arts	\$75
Community Affairs	Boys & Girls Club of NJ	\$45
Subtotal, Governor's Proposals		\$849,700
<u>Other Solution Items</u>		
Interdepartmental	Defer September Pension Payment to October	\$950,860
Education	Defer September 22 School Aid Payment to October	\$467,000
Community Affairs/Treasury	Defer September CMPTRA/ETR Payments to October	\$354,883
Education	Defer Extraordinary Special Education Aid Payment to October	\$250,000
Treasury	Senior Freeze	\$219,700
Treasury	Homestead Benefit Program	\$138,100
Higher Education	Senior Public College Operating Aid	\$119,870
NJ Transit	Defer NJ Transit Base Subsidy to October	\$114,367
Revenue Offset	Clean Energy Fund Uncommitted Balances	\$86,000
Revenue Offset	Affordable Housing Trust Fund Uncommitted Balances	\$60,000
Higher Education	County College Operating Aid	\$33,531
Community Affairs	Defer Transitional Aid Based on Timing of Payments	\$28,641
Variou s	Reduction to Statewide Discretionary Grants by 10%	\$28,305
Education	Defer Nonpublic Security Aid Payment to October	\$22,600
Variou s	Reduction to Statewide Department Non-Salary Operating by 5%	\$9,717
Treasury	Tenants Assistance Rebate Program	\$9,046
Treasury	Payments for Lifeline Credits	\$6,725
Education	Nonpublic Technology Initiative	\$5,400
Community Affairs	State Rental Assistance Program	\$4,625
Human Services	Social Services for the Homeless	\$3,554
Agriculture	Community Food Bank of New Jersey	\$1,750
Agriculture	Hunger Initiative/Food Assistance Program	\$1,705
Human Services	Supportive Housing Subsidies	\$1,097
Higher Education	Aid to Independent Colleges	\$800
Health	Public Health Infectious Disease Control	\$625
Agriculture	South Jersey Food Bank	\$250
Variou s	Other Miscellaneous Deferrals Based on Spending Patterns	260,350
Subtotal, Other Solutions		\$3,179,501
Grand Total, Supplemental Appropriation Solutions		\$4,029,201

Notably for the supplemental budget, the Governor proposes:

- Continuing to implement the school funding formula designed in partnership with the Legislature without any additional funding over FY 2020, and delaying the September 22 school aid payment into October.
- Maintaining tuition assistance programs for post-secondary students, including Tuition Aid Grants and Community College Opportunity Grants, at their FY 2020 funding levels.
- Delaying September payments for Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy Tax Receipts (ETR) until October.
- Delaying the September pension payment to October.
- Across the board departmental reductions in non-salary operating funding and discretionary grants.

The supplemental budget does not include a subsidy to NJTRANSIT, senior freeze and homestead benefit payments, or operating aid for higher education. This proposed budget also does not include any new revenue raisers.

In general, the extended fiscal year budget provides 25 percent of projected annual need for social services programs and operating accounts not otherwise reduced. State Aid and grants and other mandatory payments are recommended to be appropriated during the three-month extended year based on normal timing of disbursements or as projected to cover actual services rendered.

The proposed budget does not impact debt service payments. It would appropriate about 35 percent of the typical annual Department of Transportation/NJTRANSIT's capital project list for this supplemental period. In total, the proposed budget provides the same overall funding for hospitals as the first quarter of FY 2020 (e.g., charity care, graduate medical education).

Where appropriate and in accordance with federal guidance, federal funds may be used to support areas impacted by reductions in State appropriations, such as K-12 education, institutions of higher education, local governments and social services.

EXTENDED FISCAL YEAR			
3 Month Period from July - September 2020			
(In Millions)			
	General Fund/Other	Property Tax Relief Fund	Total
Undesignated Fund Balance July 1	\$ 344	\$ -	\$ 344
CBT Open Space Reserve	86	-	86
Revenues			
Income	\$ -	\$ 2,831	\$ 2,831
Sales	1,946	162	2,108
Corporate	724	-	724
Other	2,099	-	2,099
Total Revenues	\$ 4,769	\$ 2,993	\$ 7,762
Lapses	-	-	-
Total Resources	\$ 5,199	\$ 2,993	\$ 8,192
Appropriations			
Original	\$ 4,672	\$ 2,904	\$ 7,576
Supplemental	-	-	-
Total Appropriations	\$ 4,672	\$ 2,904	\$ 7,576
CBT Open Space Reserve	(122)	-	(122)
Undesignated Fund Balance Sept 30	\$ 405	\$ 89	\$ 494

Coronavirus Relief Fund

The State's spend of the \$2.393 billion received through the Coronavirus Relief Fund (CRF) will be subject to the limitations defined in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as developing guidance from the U.S. Treasury on eligible uses of the CRF. Governor Murphy is currently proposing the below distribution plan for funds, although the plan allocation is subject to future statutes that modify the CARES Act, new federal appropriations, confirmation of actual expenditures incurred, the identification of additional unmet COVID-19 needs, and new guidance from the U.S. Treasury. Pursuant to existing U.S. Treasury guidance, all CRF funds must cover necessary COVID-19 expenditures incurred between March 1 and December 30, 2020. Because additional federal funds may become available to cover certain COVID-19 expenses identified below, and because federal guidance on CRF eligible expenses continues to be refined, the below material should only be read as a framework for the Administration's plans, and does not reflect the final allocation or distribution of CRF funds.

Payroll, Health Benefits, and Operations: \$600 million.

The State will use nearly a quarter of available CRF money to pay salaries for employees substantially dedicated to mitigating or responding to the COVID-19 pandemic, as well as for eligible increases in employee health benefits unaccounted for in previously enacted budgets. Eligible employees may include those hired through the Governor's Community Contact Tracing Corps, or relevant staff in public safety, public health, health care, and human services. CRF money will also go toward supporting the COVID-19-related expenses of maintaining state institutions, such as correctional facilities, psychiatric hospitals, and developmental centers so that they can comply with public health precautions.

K-12 Education Relief and Re-Opening: \$400 million.

The Department of Education will create a new account for districts to pay for the costs associated with recovery from the current COVID-19 related school closure or to prepare for future school closures related to the public health emergency. School districts will face significant costs associated with social distancing, reopening of schools, remote learning, and modified operations as a result of the COVID-19 crisis. Districts cannot use this funding for costs that are already covered by federal Elementary and Secondary School Emergency Relief Fund (ESSERF) grants, but can use the funding to support the COVID-19 related costs of the items enumerated above. Districts may also use funds for the payroll and benefit costs of staff to the extent that these costs are related to developing necessary online learning capabilities in response to school closures.

Higher Education Relief: \$300 million.

The Office of the Secretary of Higher Education (OSHE) will distribute funds to institutions of higher education for their expenditures for enabling distance learning, refunds for students' unused room and board, and pending COVID-related costs including intensified cleaning and disinfection procedures not covered by FEMA. Funds can also cover institutions' costs for implementing robust testing regimes. Institutions will not be able to use these CRF funds for expenses covered by the federal Governor's Emergency Education Relief Fund (GEERF) or the federal Higher Education Emergency Relief Fund (HEERF).

Social Services and Health Care Supports: \$300 million.

The Department of Human Services (DHS) and Department of Children and Families (DCF) will administer multiple programs to support increased social services needs for vulnerable populations. At least \$50 million of these funds will be specifically dedicated to addressing anticipated increases in substance misuse and mental health needs. The Administration will provide CRF money to address the increased needs of food banks and will support other service providers, including those providing child care or assisting individuals with intellectual and developmental disabilities. It will create a grant program to help impacted residents facing economic hardship cover their utility fees. The Department of Health (DOH) will also use at least \$10 million from the CRF to improve inspection, oversight, and protections at long-term care facilities impacted by the public health emergency.

COVID-related Expenses Unmatched by FEMA: \$250 million.

The Governor will continue to advocate for an increased federal cost-share due to the public health emergency. This allocation represents OMB's current estimate for likely expenditures due to the crisis, including personal protective equipment for workers and ventilators.

Local Government Relief Fund: \$250 million.

The Department of Community Affairs (DCA) will administer reimbursement-based grants to local governments for eligible CRF related costs that have not been reimbursed through other sources, including FEMA. Local units must demonstrate financial hardship directly attributable to COVID-19. Substantial COVID-19 related expenditures in public safety overtime, health services, self-insured health benefit outlays, and public works will substantially heighten local governments' budgetary and cash-flow challenges. \$5 million from this relief fund will be dedicated toward supporting projects that improve local government dispatch and public health services to enhance emergency response preparedness and system resilience. Funds may prioritize the twelve counties that were not eligible for their own Coronavirus Relief Fund allocations.

Economic Development and Re-Employment Programs: \$100 million.

The Economic Development Authority (EDA) and Department of Labor and Workforce Department (DOL) will administer programs that support New Jersey businesses and help residents return to work. The Administration has already committed \$50 million of CRF towards emergency grants that will serve as a vital lifeline for the thousands of small businesses struggling during these unprecedented times.

Housing Assistance Programs: \$100 million.

DCA will administer a short-term rental assistance grant program to provide temporary aid to households that have had a substantial reduction in income due to the COVID-19 pandemic. DCA will also use federal Emergency Solutions Grant (ESG) funding to expand this program.

Additional State Capacity Needs: \$90 million.

The Department of the Treasury and the Office of Information Technology (OIT) will use funds to improve enrollment for benefit programs and other resident-facing services impacted by COVID-19, including unemployment insurance. The State will also invest in improving its employees' ability to work remotely to maintain operations.

COVID-19 Federal Awards/Supplemental Appropriations

(March 2020 to Present)

This summary includes funding that the State of New Jersey has currently received from the federal government's COVID-19-related stimulus bills as of May 22, 2020. It does not include funds awarded to non-State entities, such as NJ TRANSIT or the State's public and private institutions of higher education. It also does not include funds for which the State is currently applying, such as Emergency Solutions Grants (ESGs) or the Emergency Supplemental Funding for the Byrne-Justice Assistance Grant (JAG) program.

Coronavirus Relief Fund (CRF)

Total Awarded: \$2,393,851,157

State Agency: Governor's Office/Department of the Treasury

Funding Description: The Governor will use the CRF to cover necessary expenditures incurred due to the public health emergency that were incurred between March 1 and December 30, 2020. Nine New Jersey counties received over \$1 billion in additional CRF money.

FEMA Disaster Act Funding

Total Awarded: \$750,000,000

State Agency: Department of Law & Public Safety, NJ State Police-NJ Office of Emergency Management

Period of Performance (Incidence Period): January 20, 2020 and Continuing.

Major Disaster Declaration: March 25, 2020

Funding Description: This is new emergency disaster funding from FEMA for the NJ COVID-19 Pandemic. New Jersey received a Major Disaster Declaration on March 25.

Medical Assistance Program (Medicaid)

Total Estimated Awarded: \$456,333,000

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding for the Medicaid program under the Families First Coronavirus Response Act that provides a temporary increase of 6.2% in the Medicaid Federal medical assistance percentage (FMAP).

Elementary and Secondary Education Emergency Relief (ESSER) Fund

Total Awarded: \$310,371,213

State Agency: Department of Education

Funding Description: The ESSER Fund provides grants to states for the purpose of providing local educational agencies (LEAs) with emergency relief funds. NJDOE can reserve up to 10 percent of funds for State-level activities that address emergency needs.

Child Nutrition Program – Lunch

Total Awarded: \$138,759,805

State Agency: Department of Agriculture

Funding Description: The increased funding allows for School Food Authorities throughout New Jersey to increase capacity to continue to provide lunches to students while they are not in school.

Governor's Emergency Education Relief (GEER) Fund

Total Awarded: \$68,864,994

State Agency: Governor's Office/Office of the Secretary of Higher Education (OSHE)

Funding Description: The GEER Fund provides Governors flexibility through an emergency block grant. Given the significant financial burdens that institutions of higher education are facing due to the unprecedented public health emergency, Governor Murphy will focus GEER funds on New Jersey postsecondary institutions.

Child Care and Development Block Grant (CCDF)

Total Awarded: \$63,058,005

State Agency: Department of Human Services

Funding Description: These funds will be used for continued payments and assistance to child care providers, as well as other eligible uses under the CARES Act.

Child Nutrition Program – Breakfast

Total Awarded: \$57,789,771

State Agency: Department of Agriculture

Funding Description: The increased funding allows for School Food Authorities throughout New Jersey to increase capacity to continue to provide breakfasts to students while they are not in school.

Cooperative Agreement for Public Health Emergency Response

Total Awarded: \$21,224,891

State Agency: Department of Health

Funding Description: This is supplemental funding from the CDC to help jurisdictions meet surveillance and community intervention requirements.

Child Nutrition Program – Child and Adult Care Food Program (CACFP)

Total Awarded: \$21,102,931

State Agency: Department of Agriculture

Funding Description: The increase in funding is to allow organizations that are part of the CACFP to provide an increased number of meals to children and adults.

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Total Awarded: \$15,400,178

State Agency: Department of Health

Funding Description: This is supplemental funding added to Health's existing ELC grant from the CDC.

Special Programs for the Aging, Title III, Part C, Nutrition Services

Total Awarded: \$12,721,735

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-ACL for eligible individuals in the Nutrition Services Program.

Help America Vote Act (HAVA) Election Security Grants

Total Awarded: \$10,250,690

State Agency: Department of State

Funding Description: These funds will be used to prepare for the potential increased costs of the 2020 Federal election cycle.

Child Nutrition Program – Summer Food Service Program

Total Awarded: \$5,951,966

State Agency: Department of Agriculture

Period of Performance: March 27, 2020 to September 30, 2020

Funding Description: The increased funding allows for organizations and schools that are part of the SFSP throughout New Jersey to increase capacity to provide meals to students while they are not in school.

Special Programs for the Aging, Grants for Supportive Services and Senior Centers

Total Awarded: \$5,300,723

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-ACL for supportive services and senior centers, and it is designed to maximize the informal support provided to older Americans to enable them to remain in their homes and communities.

Section 8 Housing Choice Vouchers

Total Awarded: \$4,721,112

State Agency: Department of Community Affairs

Funding Description: This administrative fee funding may be used by public housing agencies (PHAs) for administrative and other expenses related to coronavirus.

Special Programs for the Aging, Nutrition Services

Total Awarded: \$4,240,578

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-ACL for the Home Delivered Meals program that provides meals to eligible individuals in their place of residence.

National Family Caregivers Support

Total Awarded: \$2,671,147

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-ACL for the Family Caregiver Support Program to help meet the needs of older adults and people with disabilities.

Emergency Food Assistance Program

Total Awarded: \$2,236,607

State Agency: Department of Agriculture

Funding Description: This funding will be used to provide additional emergency food assistance due to the public health emergency.

Special Programs for the Aging, Nutrition Services

Total Awarded: \$2,120,289

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-ACL for the Congregate Meals program that provides meals to qualified individuals in a congregate or group setting.

Emergency Grants to Address Mental and Substance Abuse Disorders

Total Awarded: \$2,000,000

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-SAMHSA to provide increased mental and substance use disorder services

Special Programs for the Aging, Discretionary Projects

Total Awarded: \$1,100,000

State Agency: Department of Human Services

Funding Description: This award provides one time funding to support the coronavirus response for elderly residents.

Family Violence Prevention Funds

Total Awarded: \$935,733

State Agency: Department of Children and Families

Funding Description: The funds will provide temporary housing and supportive services to victims of family, domestic, and dating violence.

National Bioterrorism Hospital Preparedness Program (HPP)

Total Awarded: \$922,390

State Agency: Department of Health

Funding Description: This is emergency supplemental funding on top of Health's existing HPP award to support the urgent preparedness and response needs of hospitals and health systems.

Crisis Counseling

Total Awarded: \$882,035

State Agency: Department of Law & Public Safety

Funding Description: This funding provided by FEMA is for immediate crisis counseling services for COVID-19 survivors statewide.

Stephanie Tubbs Jones Child Welfare Services Program

Total Awarded: \$881,540

State Agency: Department of Children and Families

Funding Description: These funds are for keeping families together as part of the coronavirus response.

Child Nutrition Program – Summer Food Service Program

Total Awarded: \$778,189

State Agency: Department of Agriculture

Funding Description: The increased funding is to support increased administrative costs for SFSPs.

Ryan White HIV/AIDS Program Grants

Total Awarded: \$689,340

State Agency: Department of Health

Funding Description: This funding is for Ryan White HIV/AIDS Program (RWHAP) recipients to help their clients respond to coronavirus.

Child Nutrition Program – Milk

Total Awarded: \$562,363

State Agency: Department of Agriculture

Funding Description: The increased funding allows for School Food Authorities to increase capacity to continue to provide milk to students while they are not in school.

Special Programs for the Aging, Long-Term Care Ombudsman Services for Older Individuals

Total Awarded: \$530,072

State Agency: Department of Human Services

Funding Description: This is new COVID specific funding from HHS-ACL for the Ombudsman Program to help expand their virtual presence.

National Endowment for the Arts Funds

Total Awarded: \$492,700

State Agency: Department of State

Funding Description: Grants will go to support arts programs, services, and activities associated with carrying out the agency's National Endowment for the Arts-approved strategic plan.

Ryan White HIV/AIDS Program, Coordinated Services and Access to Research for Women, Infants, Children and Youth

Total Awarded: \$160,453

State Agency: Department of Health

Funding Description: This funding is to support family-centered care for clients of Ryan White HIV/AIDS Program (RWHAP) recipients.

EXHIBIT E

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal Year 2020 - May 2020 versus 2019

(\$ Thousands)

MAY		% Change		MAY YTD		% Change	FY 2020 GBM *	FY 2020 TMT **
2019	2020			2019	2020			
\$ 766,008	\$ 544,056	(29.0%)	Sales	\$ 8,098,479	\$ 8,074,095	(0.3%)	4.7%	(6.7%)
396,585	380,186	(4.1%)	Sales tax - energy tax receipts	767,265	689,411	(10.1%)	(4.7%)	(7.7%)
(62,732)	(45,594)	-	Sales tax dedication	(644,104)	(637,239)	-		
1,099,861	878,648	(20.1%)	Net Sales Tax	8,221,640	8,126,267	(1.2%)		
137,701	94,968	(31.0%)	Corporation Business	3,248,263	2,820,636	(13.2%)	(3.3%)	(14.5%)
18,708	3,466	(81.5%)	CBT - energy tax receipts	22,073	3,690	(83.3%)	(2.9%)	(79.3%)
156,409	98,434	(37.1%)	Net Coporation Business Tax	3,270,336	2,824,326	(13.6%)		
36,819	15,185	(58.8%)	Motor Fuels	408,631	369,528	(9.6%)	(3.0%)	(16.1%)
60,008	84,039	40.0%	Motor Vehicle Fees (a)	374,182	355,830	(4.9%)	6.6%	(7.4%)
31,472	29,281	(7.0%)	Transfer Inheritance Tax	383,704	329,145	(14.2%)	(6.7%)	(14.1%)
3,215	136	(95.8%)	Estate Tax	71,956	20,488	(71.5%)	(65.4%)	(70.2%)
206,632	192,679	(6.8%)	Insurance Premium	468,600	561,901	19.9%	6.8%	25.4%
51,320	32,644	(36.4%)	Cigarette (b)	60,896	32,644	(46.4%)	(28.1%)	(17.8%)
142,905	60,855	(57.4%)	Petroleum Products Gross Receipts	1,243,924	1,156,879	(7.0%)	23.8%	34.8%
(179,724)	(76,039)	-	Capital Reserve	(516,375)	(306,870)	-		
(1,177)	1	100.0%	Corp. Banks & Financial Institutions	268,403	252,484	(5.9%)	4.5%	(9.5%)
16,678	18,131	8.7%	Alcoholic Beverage Excise (c)	87,279	90,618	3.8%	2.0%	(6.4%)
27,924	25,072	(10.2%)	Realty Transfer	314,246	318,438	1.3%	3.4%	(12.8%)
3,476	1,719	(50.5%)	Tobacco Products Wholesale Sales (b)	23,630	20,864	(11.7%)	8.0%	1.5%
26,257	17,804	(32.2%)	Public Utility	26,438	18,000	(31.9%)	5.9%	6.7%
\$ 1,682,075	\$ 1,378,589	(18.0%)	Total General Fund Revenues	\$ 14,707,490	\$ 14,170,542	(3.7%)	2.3%	(7.1%)
684,102	680,769	(0.5%)	Gross Income Tax (PTRF)	13,759,191	11,803,420	(14.2%)	5.6%	(0.1%)
64,732	47,349	-	Sales tax dedication	665,765	656,569	-		
748,834	728,118	(2.8%)	Net Gross Income Tax (PTRF)	14,424,956	12,459,989	(13.6%)		
20,720	13,699	(33.9%)	Casino Revenue	229,050	233,319	1.9%	9.2%	(1.3%)
\$ 2,451,629	\$ 2,120,406	(13.5%)	Total Major Revenues	\$ 29,361,496	\$ 26,863,850	(8.5%)	3.8%	(3.9%)
\$ 87,572	\$ 83,088	(5.1%)	Lottery (d)	\$ 974,580	\$ 851,752	(12.6%)		

(a) Pursuant to P.L. 2003, C.13, \$212.7 million of FY 2020 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(b) Pursuant to P.L. 2006, C.37, revenue collections of \$396.5 million from the Cigarette and Tobacco Products Wholesale Sales Tax are deposited in the Health Care Subsidy Fund. Pursuant to P.L. 2004, C.69, \$0.0325 per cigarette is dedicated to pay debt service on the Cigarette Securitization Bonds.

(c) Pursuant to P.L. 1990, C.41, and P.L. 2009, C.71, \$33.0 million of Alcoholic Beverage Excise Tax collections are deposited in the Alcohol Education, Rehabilitation and Enforcement Fund and the Health Care Subsidy Fund, respectively.

(d) Pursuant to P.L. 2017, C.98, the State Lottery Enterprise was contributed to certain State pension systems and the Lottery proceeds are no longer included in the State cash collections.

*Projected annual growth rate is the change from the FY 2019 CAFR to the 2020 Governor's Budget Message.

** Projected annual growth rate is the change from the FY 2019 CAFR to the 2020 revenue estimates per the FY 2020 Treasurer's May Testimony.

EXHIBIT F

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal Year 2020 - June 2020 versus 2019

(\$ Thousands)

	JUNE		% Change	JUNE YTD		% Change	FY 2020 CBM * Growth Rate	FY 2020 TMT ** Growth Rate
	2019	2020		2019	2020			
\$ 837,191	\$ 714,882		(14.6%)	\$ 8,935,670	\$ 8,788,977	(1.6%)	4.7%	(3.0%)
\$ 52,012	\$ 53,693		3.2%	\$ 819,277	\$ 743,104	(9.3%)	4.7%	(7.7%)
(67,110)	(58,006)		-	(711,214)	(695,245)	-		
822,093	710,569		(13.6%)	9,043,733	8,836,836	(2.3%)	(3.3%)	(14.5%)
806,059	620,501		(23.0%)	4,054,322	3,441,137	(15.1%)	(2.9%)	(79.3%)
578	-		-	22,651	3,690	(83.7%)		
806,637	620,501		(23.1%)	4,076,973	3,444,827	(15.5%)		
44,361	30,974		(30.2%)	452,992	400,502	(11.6%)	(3.0%)	(16.1%)
54,803	39,882		(27.2%)	428,985	395,712	(7.8%)	6.6%	(7.4%)
32,964	26,648		(19.2%)	416,668	355,793	(14.6%)	(6.7%)	(14.1%)
1,764	8,101		359.2%	73,720	28,589	(61.2%)	(65.4%)	(70.2%)
42,233	72,301		71.2%	510,833	634,202	24.2%	6.8%	25.4%
47,137	47,934		1.7%	108,033	80,578	(25.4%)	(28.1%)	(17.8%)
110,731	90,341		(18.4%)	1,354,655	1,247,220	(7.9%)	23.8%	31.6%
(155,092)	(140,652)		-	(671,467)	(447,522)	-		
23,955	30,501		27.3%	292,358	282,985	(3.2%)	4.5%	(9.5%)
73	664		809.6%	87,352	91,282	4.5%	2.0%	(6.4%)
30,588	22,376		(26.8%)	344,834	340,814	(1.2%)	3.4%	(5.2%)
3,151	5,202		65.1%	26,781	26,066	(2.7%)	8.0%	1.5%
-	2		-	26,438	18,002	(31.9%)	5.9%	6.7%
\$ 1,865,398	\$ 1,565,344		(16.1%)	\$ 16,572,888	\$ 15,735,886	(5.1%)	2.3%	(5.1%)
1,465,794	1,281,495		(12.6%)	15,224,985	13,084,915	(14.1%)	5.6%	(0.1%)
69,366	59,204		-	735,103	715,773	-		
1,535,160	1,340,699		(12.7%)	15,960,088	13,800,688	(13.5%)		
22,089	13,672		(38.1%)	251,139	246,991	(1.7%)	9.2%	(1.3%)
\$ 3,422,647	\$ 2,919,715		(14.7%)	\$ 32,784,115	\$ 29,783,565	(9.2%)	3.8%	(2.8%)
\$ 85,564	\$ 85,252		(0.4%)	\$ 1,060,144	\$ 937,004	(11.6%)		

(a) Pursuant to P.L. 2003, C.13, \$212.7 million of FY 2020 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(b) Pursuant to P.L. 2006, C.37, revenue collections of \$396.5 million from the Cigarette and Tobacco Products Wholesale Sales Tax are deposited in the Health Care Subsidy Fund. Pursuant to P.L. 2004, C.69, \$0.0325 per cigarette is dedicated to pay debt service on the Cigarette Securitization Bonds.

(c) Pursuant to P.L. 1990, C.41, and P.L. 2009, C.71, \$33.0 million of Alcoholic Beverage Excise Tax collections are deposited in the Alcohol Education, Rehabilitation and Enforcement Fund and the Health Care Subsidy Fund, respectively.

(d) Pursuant to P.L. 2017, C.98, the State Lottery Enterprise was contributed to certain State pension systems and the Lottery proceeds are no longer included in the State cash collections.

*Projected annual growth rate is the change from the FY 2019 CAFR to the 2020 Governor's Budget Message.

** Projected annual growth rate is the change from the FY 2019 CAFR to the 2020 revenue estimates per the FY 2020 Treasurer's May Testimony with subsequent June revisions.

EXHIBIT G

CHAPTER 235

AN ACT authorizing the creation of a debt of the State of New Jersey by issuance of bonds of the State in the sum of \$120,000,000.00 for medical education facilities, their construction, reconstruction, development, extension, improvement, rehabilitation, refinancing and equipment; providing the ways and means to pay the interest of said debt, and also to pay and discharge the principal thereof; and providing for the submission of this act to the people at a general election; and providing an appropriation therefor.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be cited as the "New Jersey Medical Education Facilities Bond Act of 1977."

2. The Legislature hereby finds that:

a. It is the public policy of the State of New Jersey to promote the economical construction of medical education facilities to assure the people of New Jersey superior medical service and professional care.

b. To this end, the New Jersey Health Care Facilities Financing Authority in 1974 issued \$109.3 million of revenue bonds at a net interest cost of 8.37% to provide for construction of the Teaching Hospital of the College of Medicine and Dentistry of New Jersey.

c. By refinancing the teaching hospital project with proceeds from the sale of bonds of the State of New Jersey, the State will realize substantial interest cost savings which can be applied to other needed medical education facilities. For a level of State appropriation support equivalent to that provided for the teaching hospital project, the State can finance not only the teaching hospital but other vital hospital and medical education facilities.

3. Except as the context may otherwise require:

a. "Medical education facilities" shall mean buildings, structures, facilities and equipment owned or to be acquired, constructed or operated in whole or in part by or on behalf of the State or a State institution of medical education, necessary for the operation of State institutions of medical education.

b. "Construction of medical education facilities" means the planning, erection, acquisition, improvement, rehabilitation, reconstruction, development and extension of facilities including all equipment necessary to the operation thereof and includes the acquisition of land necessary for said purposes.

c. "Commission" means the New Jersey Commission on Capital Budgeting and Planning.

d. "Chancellor" means the Chancellor of the Department of Higher Education or any other official who succeeds to the duties, functions, powers and responsibilities of the Chancellor of Higher Education with respect to medical education facilities as herein defined.

e. "Department" means the Department of Higher Education, or any other department of the Executive Branch which succeeds to the duties, functions, powers and responsibilities of the Department of Higher Education with respect to medical education facilities as herein defined.

f. "Teaching hospital project" means the teaching hospital under construction at the College of Medicine and Dentistry of New Jersey at Newark.

g. "Authority" means the New Jersey Health Care Facilities Financing Authority.

h. "Refinancing" means the provision of moneys for the extraordinary redemption of Authority Bonds.

i. "Authority Bonds" means the bonds of the New Jersey Health Care Facilities Financing Authority issued to finance the Teaching Hospital Project.

4. The chancellor shall issue and promulgate such rules and regulations as are necessary and appropriate to carry out the provisions of this act. The chancellor shall review and consider the findings and recommendations of the commission in the administration of the provisions of this act.

5. Bonds of the State of New Jersey in the sum of \$120,000,000.00 are hereby authorized for the purpose of refinancing the teaching hospital project and for the construction of medical education facilities as defined herein including the completion of the teaching hospital at Newark.

6. Said bonds shall be serial bonds and known as "Medical Education Facilities Bonds" and, as to each series, the last annual installment thereof (subject to redemption prior to maturity) shall mature and be paid not later than 35 years from the date

of its issuance, but may be issued in whole or in part for a shorter term.

7. The Governor, State Treasurer and Comptroller of the Treasury or any two of such officials (hereinafter referred to as "the issuing officials") are hereby authorized to carry out the provisions of this act relating to the issuance of said bonds, and shall determine all matters in connection therewith subject to provisions hereof. In case any of said officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by such person as shall be authorized by law to act in his place as a State official.

8. Said bonds shall be issued from time to time as the issuing officials herein named shall determine.

9. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith and credit of the State are pledged for the payment of the interest thereon as same shall become due and the payment of the principal at maturity. The principal and interest of such bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

10. Said bonds shall be signed in the name of the State by the Governor or by his facsimile signature, under the Great Seal of the State, and attested by the Secretary of State, or an assistant Secretary of State, and shall be countersigned by the facsimile signature of the Comptroller of the Treasury. Interest coupons attached to said bonds shall be signed by the facsimile signature of the Comptroller of the Treasury. Such bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or coupons shall cease to hold office at the time of such issue or at the time of the delivery of such bonds to the purchaser.

11. a. Such bonds shall recite that they are issued for the purposes set forth in section 5 of this act and that they are issued in pursuance of this act and that the act was submitted to the people of the State at the general election held in the month of November, 1977, and that it received the approval of the majority of votes cast for and against it at such election. Such recital in said bonds shall be conclusive evidence of the authority of the State to issue said bonds and of their validity. Any bonds containing such recital shall in any suit, action or proceeding involving

their validity be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of statutes applicable thereto, and shall be incontestable for any cause.

b. Such bonds shall be issued in such denominations and in such form or forms, whether coupon or registered as to both principal and interest, and with or without such provisions for interchangeability thereof, as may be determined by the issuing officials.

12. When the bonds are issued from time to time the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; provided, that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

13. Said bonds shall be issued and sold at such price not less than the par value thereof and accrued interest thereon, and under such terms, conditions and regulations, as the issuing officials may prescribe, after notice of said sale, published at least once in at least three newspapers published in the State of New Jersey, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in the city of New York or in New Jersey, the first notice to be at least 5 days prior to the day of bidding. The said notice of sale may contain a provision to the effect that any or all bids in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale at such price not less than the par value thereof and accrued interest thereon and under such terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the Federal Government or any agency thereof, at private sale, without advertisement.

14. Until permanent bonds can be prepared, the issuing officials may, in their discretion, issue in lieu of such permanent bonds temporary bonds in such form and with such privileges as to registration and exchange for permanent bonds as may be determined by the issuing officials.

15. The proceeds from the sale of the bonds shall be held by the State Treasurer in a separate fund and be deposited in such deposi-

tories as may be selected by him to the credit of the fund, which fund shall be known as the "Medical Education Facilities Fund." Moneys in said fund or so much thereof as may be necessary for the redemption of all of the authority bonds shall be paid in such manner as may be directed by the State Treasurer for the redemption of the authority bonds. All funds held by the trustee for the authority bonds which are not applied to the payment of authority bonds shall, upon redemption of all of the authority bonds or payment thereof within the meaning of the authority's bond resolution pertaining thereto, be delivered to the State Treasurer. The State Treasurer shall deposit the amount received from the construction fund held by such trustee in a special fund and shall use the same to pay the balance of the authorized cost of the teaching hospital project. The proceeds of all other funds received by the State Treasurer from the trustee shall be deposited in the Medical Education Facilities Fund.

16. a. The moneys in said "Medical Education Facilities Fund" are hereby specifically dedicated and shall be applied to the cost of the purposes set forth in section 5 of this act, and all such moneys are hereby appropriated for such purposes, and no such moneys shall be expended for such purpose (except as otherwise hereinbelow authorized) without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided notwithstanding that the Legislature shall not have then adopted an act making specific appropriation for any of said moneys. There is hereby appropriated from the Medical Education Facilities Fund for the redemption of the authority bonds an amount sufficient to pay the cost of redemption of the authority bonds. There is hereby appropriated for the payment of the cost of completion of the teaching hospital project the amount, if any, received by the State Treasurer from the construction fund as provided in section 15 of this act.

b. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is hereby authorized to transfer from any available money in the treasury of the State to the credit of the "Medical Education Facilities Fund" such sum as he may deem necessary. Said sum so transferred shall be returned to the treasury of this State by the treasurer thereof from the proceeds of the sale of the first issue of bonds.

c. Pending their application to the purpose provided in this act, moneys in the "Medical Education Facilities Fund" may be invested and reinvested as other trust funds in the custody of the

State Treasurer in the manner provided by law. Net earnings received from the investment or deposit of such fund shall be paid into the General Fund.

17. In case any coupon bonds or coupons thereunto appertaining or any registered bond shall become lost, mutilated or destroyed, a new bond shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bonds or coupons, upon the owner furnishing to the issuing officials evidence satisfactory to them of such loss, mutilation or destruction, proof of ownership and such security and indemnity and reimbursement for expenses as the issuing officials may require.

18. Accrued interest received upon the sale of said bonds shall be applied to the discharge of a like amount of interest upon said bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of said bonds, by the State Treasurer upon warrant of the Comptroller of the Treasury, in the same manner as other obligations of the State are paid.

19. Bonds of each series issued hereunder shall mature in annual installments commencing not later than the tenth year and ending not later than the thirty-fifth year from the date of issue of such series, and in such amounts as shall be determined by the issuing officials, and the issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem all or any of such bonds prior to maturity at such price or prices and upon such terms and conditions as may be provided in such bonds.

20. The issuing officials may at any time and from time to time issue refunding bonds for the purpose of refunding in whole or in part an equal principal amount of the bonds of any series issued and outstanding hereunder, which by their terms are subject to redemption prior to maturity, provided such refunding bonds shall mature at any time or times not later than the latest maturity date of such series, and the aggregate amount of interest to be paid on the refunding bonds, plus the premium, if any, to be paid on the bonds refunded, shall not exceed the aggregate amount of interest which would be paid on the bonds refunded if such bonds were not so refunded. Refunding bonds shall constitute direct obligations of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the principal thereof and the interest

thereon. The proceeds received from the sale of refunding bonds shall be held in trust and applied to the payment of the bonds refunded thereby. Refunding bonds shall be entitled to all the benefits of this act and subject to all its limitations except as to the maturities thereof and to the extent herein otherwise expressly provided.

21. To provide funds to meet the interest and principal payment requirements for the bonds issued under this act and outstanding, there is hereby appropriated in the order following:

a. Revenue derived from the collection of taxes as provided by the "Sales and Use Tax Act" (P. L. 1966, c. 30) as amended and supplemented, or so much thereof as may be required; and

b. If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available, then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which such tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which such municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General State Fund beyond the needs of the State, sufficient to meet the principal of bonds falling due and all interest payable in the ensuing calendar year, then and in the event such issuing officials shall by resolution so find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a separate fund to be designated by him, and shall pay the principal and interest out of said fund as the same shall become due and

payable, and the other sources of payment of said principal and interest provided for in this section shall not then be available, and the receipts for said year from the tax specified in subsection b. of this section shall thereon be considered and treated as part of the General State Fund, available for general purposes.

22. Should the State Treasurer, by December 31 of any year, deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for such purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In such case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. Such calculation shall be based upon the corrected assessed valuation of such county for the year preceding the year in which such tax is to be assessed, but such tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify said amount to the county board of taxation and the county treasurer of each county. The said county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

23. For the purpose of complying with the provisions of the State Constitution this act shall, at the general election to be held in the month of November, 1977, be submitted to the people. In order to inform the people of the contents of this act it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the said election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the said clerks respectively, in accordance with the instructions of the Secretary of State, shall cause to be printed on each of the said ballots, the following:

If you approve the act entitled below, make a cross (X), plus (+), or check (✓) mark in the square opposite the word "Yes."

If you disapprove the act entitled below, make a cross (X), plus (+), or check (✓) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

	Yes.	<p>MEDICAL EDUCATION FACILITIES BOND ISSUE</p> <p>Should the "New Jersey Medical Education Facilities Bond Act of 1977" which authorizes the State to issue bonds in the amount of \$120,000,000.00 for the refinancing of the Teaching Hospital project of the College of Medicine and Dentistry of New Jersey and for the construction and renovation of medical education facilities to provide improved hospital service and professional care for the people of New Jersey; and to provide the means to pay the principal and interest on these bonds, be approved?</p>
	No.	<p>INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of \$120,000,000.00 in bonds to be used for refinancing the Teaching Hospital project of the College of Medicine and Dentistry of New Jersey at a substantial interest cost savings to the State; and for the construction of additional hospital and medical education facilities, the costs to be offset in whole or in part by these savings. It is expected that \$25,000,000.00 will be available for the construction of new medical education facilities and \$95,000,000.00 will be used for the refinancing.</p>

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in said ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The said votes so cast for and against the approval of this act by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of such election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at such election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

24. The chancellor shall submit to the State Treasurer, the Joint Appropriations Committee, the Office of Fiscal Affairs and the the New Jersey Commission on Capital Budgeting and Planning with the department's annual budget request a plan for the expenditure of funds from the "Medical Education Facilities Fund" for the upcoming fiscal year. This plan shall include the following information: a performance evaluation of the expenditures made from the fund to date; a description of programs planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of programs that are financed, in part or in whole, by funds from the "Medical Education Facilities Fund"; and an estimate of expenditures for the upcoming fiscal year.

25. Immediately following the submission to the Legislature of the Governor's Annual Budget Message the commissioner shall submit to the Joint Appropriations Committee, the Office of Fiscal Affairs, the Institutions, Health and Welfare Committees of the Senate and General Assembly and the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature, as reconstituted and continued by the Legislature from time to time, a copy of the plan called for under section 24 of this act, together with such changes therein as may have been required by the Governor's budget message.

26. Not less than 30 days prior to the chancellor entering into any contract, lease, obligation, or agreement to effectuate the purposes of this act the chancellor shall report to and consult with the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature as reconstituted and continued from time to time by the Legislature, except that this section shall not apply to the refinancing of the teaching hospital project or to any construction and construction-

related activities for said project. Any contract, lease, obligation or agreement for the construction of new medical education facilities shall be subject to the requirements of "The Law Against Discrimination" (P. L. 1945, c. 169; C. 10:5-1 et seq.).

27. There is hereby appropriated the sum of \$5,000.00 to the Secretary of State for expenses in connection with the publication of notice pursuant to section 23 of this act.

28. This section and sections 23 and 27 of this act shall take effect immediately and the remainder of the act shall take effect as and when provided in section 23 of this act.

Approved September 26, 1977.

CHAPTER 236

AN ACT authorizing the establishment of the New Jersey Wild and Scenic Rivers System; providing for the acquisition, designation, administration, and regulation of such rivers and their designated adjacent areas; and relating to the powers, duties, and responsibilities of the Department of Environmental Protection.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C. 13:8-45 Short title.

1. This act shall be known and may be cited as the "New Jersey Wild and Scenic Rivers Act."

C. 13:8-46 Legislature's findings.

2. The Legislature hereby finds and declares that many of the rivers of New Jersey, or sections thereof, together with adjacent land areas, possess outstanding scenic, recreational, geologic, fish and wildlife, floral, historic, cultural, or similar values which are of benefit and enjoyment to present and future generations of this State; that selected rivers, or sections thereof, are a public trust and should be preserved and protected so as to insure that this and succeeding generations have the opportunity to enjoy the aesthetic and recreational qualities of such rivers; and that it shall, therefore be the policy of this State to preserve, protect, and enhance

EXHIBIT H

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in said ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The said votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of such election had in the same manner as is now provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at such an election in favor of the approval of this act, then all the provisions of this act shall take effect forthwith.

25. This section and section 24 shall take effect immediately and the remainder of the act shall take effect as and when provided in the preceding section.

Approved July 2, 1968.

CHAPTER 128

AN Act authorizing the creation of a debt of the State of New Jersey by issuance of bonds of the State in the sum of \$337,500,000.00 for public buildings, their construction, reconstruction, development, extension, improvement and equipment; providing the ways and means to pay the interest of said debt, and also to pay and discharge the principal thereof; and providing for the submission of this act to the people at a general election.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be cited as the "New Jersey Public Buildings Construction Bond Act of 1968."

2. The Legislature hereby finds that:

(a) The State of New Jersey requires an extensive and immediate comprehensive and integrated program for the construc-

tion of public buildings. Since this essential program for the construction of public buildings will serve the people of the State for many years, financing of the same by a bond issue is deemed to be in the public interest.

(b) The Governor's Commission to Evaluate the Capital Needs of New Jersey estimated an additional \$100,000,000.00 is needed to finance priority State institution projects.

(c) The Governor's Commission to Evaluate the Capital Needs of New Jersey stated that there is urgent need to increase significantly the enrollment capacity for undergraduate students at public institutions of higher education, to provide for commensurate increases in the enrollment capacity for graduate and professional students at these institutions and to provide for the construction of additional county college facilities and 2 new State colleges, one in northern New Jersey and one in southern New Jersey.

(d) The Commissioner of Education and the Governor's Commission to Evaluate the Capital Needs of New Jersey have declared a need for additional vocational educational facilities and said commission recommends that an initial sum of \$27,500,000.00 be raised for said purposes to be matched by Federal funds.

(e) The Governor's Commission on Public Broadcasting has recommended the construction of the public broadcasting buildings necessary to utilize the 4 noncommercial television channels which have been assigned to and reserved for the State.

3. Except as the context may otherwise require:

(a) "Public buildings" shall mean (1) buildings, structures and facilities under the supervision and control of the State Department of Institutions and Agencies for mental, charitable, hospital, training and correctional purposes; (2) buildings, structures and facilities required for the operation of a State-wide public television and radio network; (3) buildings, structures and facilities required for the operation of vocational education programs under the supervision of the department of education; and (4) buildings, structures and facilities required for the operation of state institutions of higher education and county colleges.

(b) "Construction of public buildings" means the erection, acquisition, improvement, reconstruction, development and extension of public buildings, including all equipment and facilities necessary to the operation thereof and includes the acquisition of land necessary for said purposes.

(c) "State institutions" shall mean institutions operated and maintained by the Department of Institutions and Agencies.

(d) "State institutions of higher education" shall mean Rutgers, the State University, the State colleges, Newark College of Engineering, and the New Jersey College of Medicine and Dentistry.

(e) "County colleges" shall mean colleges operated pursuant to the provisions of chapter 41, P. L. 1962, as amended or supplemented (N. J. S. 18A :64A-1, et seq.).

4. Bonds of the State of New Jersey in the sum of \$337,500,000.00 are hereby authorized for the purpose of capital expenditure for cost of the construction of public buildings. Of such total, the proceeds from the sale of bonds shall be reserved as follows:

(a) The construction of public buildings for county colleges, and for the construction of public buildings for other State institutions of higher education—not more than \$172,500,000.00.

(b) The construction of public buildings for 2 new State colleges, one in Bergen county and one in Atlantic county or Cumberland county or Cape May county or any combination thereof — not more than \$30,000,000.00.

(c) The construction of public buildings for vocational education—not more than \$27,500,000.00.

(d) The construction of public buildings for State institutions—not more than \$100,000,000.00.

(e) The construction of public buildings for a State-wide public television and radio network—not more than \$7,500,000.00.

5. Said bonds shall be serial bonds and known as "Public Building Construction Bonds" and, as to each series, the last annual installment thereof (subject to redemption prior to maturity) shall mature and be paid not later than 35 years from the date of its issuance, but may be issued in whole or in part for a shorter term.

6. Said bonds shall be issued from time to time as the issuing officials herein named shall determine.

7. The Governor, State Treasurer and Comptroller of the Treasury or any 2 of such officials (hereinafter referred to as "the issuing officials") are hereby authorized to carry out the provisions of this act relating to the issuance of said bonds, and shall determine all matters in connection therewith subject to provisions hereof. In case any of said officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by such person as shall be authorized by law to act in his place as a State official.

8. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith

and credit of the State are pledged for the payment of the interest thereon as same shall become due and the payment of the principal at maturity. The principal and interest of such bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

9. Said bonds shall be signed in the name of the State by the Governor or by his facsimile signature, under the Great Seal of the State, and attested by the Secretary of State, or an assistant Secretary of State, and shall be countersigned by the facsimile signature of the Comptroller of the Treasury. Interest coupons attached to said bonds shall be signed by the facsimile signature of the Comptroller of the Treasury. Such bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or coupons shall cease to hold office at the time of such issue or at the time of the delivery of such bonds to the purchaser.

10. Such bonds shall recite that they are issued for the purpose set forth in the first sentence of section 4 of this act and that they are issued in pursuance of this act and that this act was submitted to the people of the State at the general election held in the month of November, 1968, and that it was approved by a majority of the legally qualified voters of the State voting thereon at such election. Such recital in said bonds shall be conclusive evidence of the authority of the State to issue said bonds and of their validity. Any bonds containing such recital shall in any suit, action or proceeding involving their validity be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of statutes applicable thereto, and shall be incontestable for any cause. Such bonds shall be issued in such denominations and in such form or forms, whether coupon or registered as to both principal and interest, and with or without such provisions for interchangeability thereof, as may be determined by the issuing officials.

11. When the bonds are issued from time to time, the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest, not exceeding 6% per annum, as may be determined by the issuing officials, which interest shall be payable semiannually; provided, that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

12. Said bonds shall be issued and sold at such price not less than the par value thereof and accrued interest thereon, and under such

terms, conditions and regulations, as the issuing officials may prescribe, after notice of said sale, published at least once in at least 3 newspapers published in the State of New Jersey, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in the city of New York or in New Jersey, the first notice to be at least 5 days prior to the day of bidding. The said notice of sale may contain a provision to the effect that any or all bids made in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale at such price not less than the par value thereof and accrued interest thereon and under such terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the Federal Government or any agency thereof, at private sale, without advertisement.

13. Until permanent bonds can be prepared, the issuing officials may, in their discretion, issue in lieu of such permanent bonds temporary bonds in such form and with such privileges as to registration and exchange for permanent bonds as may be determined by the issuing officials.

14. The proceeds from the sale of the bonds shall be paid to the State Treasurer and be held by him in a separate fund, and be deposited in such depositories as may be selected by him to the credit of the fund, which fund shall be known as the "Public Buildings Construction Fund."

15. The moneys in said Public Buildings Construction Fund are hereby specifically dedicated and shall be applied to the cost of the public buildings purpose set forth in section 4 of this act, and all of such moneys are hereby appropriated for such purpose, and no such moneys shall be expended for such purpose (except as otherwise hereinbelow authorized) without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided notwithstanding that the Legislature shall not have then adopted an act making specific appropriation of any of said moneys.

At any time prior to the issuance and sale of bonds under this act, the State Treasurer is hereby authorized to transfer from any available money in the treasury of the State to the credit of the Public Buildings Construction Fund such sum as may be deemed necessary for the purpose of this act by the State House Commission, which said sum so transferred shall be returned to the

treasury of this State by the treasurer thereof from the proceeds of the sale of the first issue of bonds.

Pending their application to the purpose provided in this act, moneys in the Public Building Construction Fund may be invested and reinvested as other trust funds in the custody of the State Treasurer in the manner provided by law. Net earnings received from the investment or deposit of such fund shall be paid into the General Treasury and become a part of the General State Fund.

16. In case any coupon bonds or coupons thereunto appertaining or any registered bond shall become lost, mutilated or destroyed, a new bond shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bonds or coupons, upon the owner furnishing to the issuing officials evidence satisfactory to them of such loss, mutilation or destruction and proof of ownership, and such security and indemnity and reimbursement for expenses as the issuing officials may require.

17. Accrued interest received upon the sale of said bonds shall be applied to the discharge of a like amount of interest upon said bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of said bonds, by the State Treasurer upon warrant of the Comptroller of the Treasurer, in the same manner as other obligations of the State are paid.

18. Bonds of each series issued hereunder shall mature in annual installments commencing not later than the tenth year and ending not later than the thirty-fifth year from the date of issue of such series, and in such amounts as shall be determined by the issuing officials, and the issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem all or any of such bonds prior to maturity at such price or prices and upon such terms and conditions as may be provided in such bonds.

19. The issuing officials may at any time and from time to time issue refunding bonds for the purpose of refunding in whole or in part an equal principal amount of the bonds of any series issued and outstanding hereunder, which by their terms are subject to redemption prior to maturity, providing such refunding bonds shall mature at any time or times not later than the latest maturity date of such series, and the aggregate amount of interest to be paid on the refunding bonds, plus the premium, if any, to be paid on the bonds refunded, shall not exceed the aggregate amount of

interest which would be paid on the bonds to be refunded if such bonds were not so refunded. Refunding bonds shall constitute direct obligations of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the principal thereof and the interest thereon. The proceeds received from the sale of refunding bonds shall be held in trust and applied to the payment of the bonds refunded thereby. Refunding bonds shall be entitled to all the benefits of this act and subject to all of its limitations except as to the maturities thereof and to the extent herein otherwise expressly provided.

20. To provide funds to meet the interest and principal payment requirements for the bonds issued under this act and outstanding, there is hereby appropriated in the order following:

(a) Revenue derived from the collection of taxes as provided by the "Sales and Use Tax Act" (P. L. 1966, c. 30) as amended and supplemented, or so much thereof as may be required; and

(b) If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available, then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which such tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which such municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General State Fund beyond the needs of the State, sufficient to meet the principal of bonds falling due and all interest payable in the ensuing calendar year, then and in that event such issuing officials shall by resolution so find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a

separate fund to be designated by him, and shall pay the principal and interest out of said fund as the same shall become due and payable, and the other sources of payment of said principal and interest provided for in this section shall not then be available, and the receipts for said year from the tax specified in subsection (a) of this section shall thereon be considered and treated as part of the General State Fund, available for general purposes.

21. Should the State Treasurer, by December 31 of any year, deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the Treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for such purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In such case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. Such calculation shall be based upon the corrected assessed valuation of such county for the year preceding the year in which such tax is to be assessed, but such tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify said amount to the county board of taxation and the county treasurer of each county. The said county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

22. For the purpose of complying with the provisions of the State Constitution this act shall, at the general election to be held in the month of November, 1968, be submitted to the people. In order to inform the people of the contents of this act it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the said election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the said clerks respectively, in accordance with the instructions of the Secretary of State, shall cause to be printed on each of the said ballots, the following:

If you approve the act entitled below, make a cross (×), plus (+), or check (✓) mark in the square opposite the word "Yes."

If you disapprove the act entitled below, make a cross (×), plus (+), or check (✓) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

	Yes.	<p style="text-align: center;">NEW JERSEY PUBLIC BUILDINGS CONSTRUCTION BOND ISSUE</p> <p>Shall the act entitled "An act authorizing the creation of a debt of the State of New Jersey by issuance of bonds of the State in the sum of \$337,500,000.00 for public buildings, their construction, reconstruction, development, extension, improvement and equipment; providing the ways and means to pay the interest of said debt, and also to pay and discharge the principal thereof; and providing for the submission of this act to the people at a general election," be approved?</p>
	No.	

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in said ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The said votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of such election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at such an election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

23. This section and section 22 of this act shall take effect immediately and the remainder of the act shall take effect as and when provided in the preceding section.

Approved July 2, 1968.

EXHIBIT I

CHAPTER 13

AN ACT relating to public buildings and making appropriations for construction, reconstruction, development, extension, improvement and equipment of public buildings, all for education purposes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. There is hereby appropriated to the New Jersey Public Broadcasting Authority, when the same shall have been created by legislation, from the Public Buildings Construction Fund the sum of \$7,500,000.00, or so much thereof as may be necessary, for the buildings, structures, facilities and equipment required for the operation of a State-wide public television and radio network, so that the 4 noncommercial television channels assigned to and reserved for the State may be utilized.

2. There is hereby appropriated to the Department of Higher Education from the Public Buildings Construction Fund the sum of \$73,823,000.00, or that portion thereof as may be required, for land acquisition and the planning, construction, rehabilitation and equipping of facilities, services, and buildings at the various public institutions of higher education. The appropriations will fund the foregoing types of projects approved by the Board of Higher Education in the amounts and at the institutions as follows:

Institution	Amount
New Jersey College of Medicine and Dentistry	\$10,750,000 00
Boiler Plant and related Utility Work	
Auditorium, Library and Site Development	
Rutgers, The State University	27,278,000 00
Projects	
Mathematics, Statistics, Computer Building	
Wright Chemistry Laboratory—Addition and Renovation	
Food Science Building	
Kilmer Library—First Stage	
Livingston College—Final Stage	
Law School Building—Camden	
Administration Office Building (New Brunswick Heights Campus)	

Land Acquisition and Utilities, Improvements at University Heights, South Jersey, and Newark Second Kilmer College—First Stage—Planning Teaching Hospital—Planning Instructional Building, Camden—Planning Newark College of Engineering Projects	\$8,000,000 00
Chemistry—Academic Building Dormitory Renovation of Buildings Equipment and Land State Colleges Projects	\$17,795,000 00
Glassboro State College Temporary Classrooms Utilities, Water Tower, Drainage of Athletic Areas Maintenance Building Team House for Athletics Air Conditioning Tohill Auditorium, Peet Hill Roads, Walks, Parking, Fencing Academic Facilities (2)—Planning Jersey City State College Tidelands Development Roads, Walks and Parking Maintenance and Storage Facility Land Acquisition Academic Facility—Planning Renovation of Fries and Hepburn Halls—Planning Newark State College Maintenance Building Campus Lighting Air Conditioning College Center Building Academic Facility—Planning Math-Science Building—Planning Paterson State College Air Conditioning Shea and Hunzinger Hall Roads, walks, parking, land and utilities Academic Facility—Planning Classroom—Office Building—Planning Maintenance Facility—Planning Montclair State College Bridge over Railroad	

Expand Utilities	
Roads, Walks and parking	
Academic Facility—Planning	
Library Addition—Planning	
Maintenance Facility—Planning	
Trenton State College	
Expansion of Utilities	
Maintenance Facility	
Roads, Walks and Parking	
Academic Facilities (2)—Planning	
Advanced planning of self-liquidating facilities	
Two New State Colleges	
Land, Architectural, Site and Educational Planning	
County—Community Colleges	\$10,000,000 00
	<hr/>
	\$73,823,000 00

3. There is also appropriated from the proceeds of the sale of the bonds hereinafter mentioned such sums as may be necessary to meet any expense incurred by the issuing officials under the act hereinafter mentioned for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of said act.

4. It is the declared purpose of this act that the funds from which said appropriations shall be met shall be those funds which shall be derived from the sale of the Public Buildings Construction Bonds the issuance of which is provided for in chapter 128 of the laws of 1968, which said act was submitted to the people and approved by the people at the general election held on November 5, 1968.

5. The State Treasurer is hereby authorized, empowered, and directed and it shall be his duty to set upon and maintain the aforementioned appropriations in the Public Buildings Construction Fund established heretofore pursuant to the act hereinabove mentioned. The funds herein appropriated may be requisitioned by the (1) Public Broadcasting Authority; (2) Department of Higher Education for the uses and purposes specifically enumerated herein, subject to the same restrictions and control as are exercised over all other appropriated State funds, but not inconsistent with the provisions of said act.

6. The State Treasurer, the Public Broadcasting Authority, and the Department of Higher Education are hereby empowered to enter into negotiations with the Federal Government for the

purpose of securing any available financial grants and to receive any such grants and thereafter the State Treasurer may cause them to be established and maintained in the aforementioned Public Buildings Construction Fund in separate accounts. Any such funds so established and maintained may be requisitioned for the uses and purposes specifically enumerated herein, subject to the same restrictions and control as are exercised over all other appropriated State funds, but not inconsistent with the provisions of the act hereinabove mentioned.

7. The Director of the Division of Budget and Accounting in the Department of the Treasury is hereby authorized, empowered and directed and it shall be his duty to make such correction of the title or text, or both, of any item in this act contained necessary to make such appropriation available for the purpose or purposes of its intention. Such correction shall be by written ruling reciting any appropriate details, the fact thereof and the reason therefor, attested by the signature of the director and filed by him in his office as an official record, and any action thereunder, including disbursements, and the audit thereof, shall be legally binding and of full force and effect.

8. In order that some degree of flexibility in administering the provisions of this act may be had, the Chancellor of Higher Education and the Public Broadcasting Authority may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item within their respective accounts in the Public Buildings Construction Fund. Upon the approval of such application by said director and by the Legislative Budget and Finance Director, in writing, said director shall make such transfer as provided by law.

9. Not less than 15 days prior to advertising for bids on contracts for any of the items herein specified, the Chancellor of Higher Education and the Public Broadcasting Authority shall report in writing, enumerating the item or items to be so advertised, to a special joint legislative committee the membership of which shall consist of the President of the Senate, the Speaker of the General Assembly, the majority and minority leaders of the Senate and General Assembly, and the chairmen of the following standing committees of the Senate and General Assembly: Appropriations, Transportation and Public Utilities, Education, Institutions and Welfare, and Commerce, Industry and Professions.

10. Except as the context may otherwise require:

(a) "Public buildings" shall mean (1) buildings, structures, facilities and equipment required for the operation of a State-wide public television and radio network; (2) and buildings, structures, facilities and equipment required for the operation of State institutions of higher education and county colleges.

(b) "Construction of public buildings" means the erection, acquisition, improvement, reconstruction, development and extension of public buildings, including all equipment and facilities necessary to the operation thereof and includes the acquisition of land necessary for said purposes and the architectural and engineering planning therefor.

(c) "State institutions of higher education" shall mean Rutgers, the State University, the State colleges, Newark College of Engineering, and the New Jersey College of Medicine and Dentistry.

(d) "County colleges" shall mean colleges operated pursuant to the provisions of chapter 64A of Title 18A of the New Jersey Statutes.

11. This act shall take effect immediately.

Approved April 2, 1969.

CHAPTER 14

AN ACT concerning the Local Bond Law, and amending section 40A:2-44 of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey*:

1. Section 40A:2-44 of the New Jersey Statutes is amended to read as follows:

Deductions from gross debt.

40A:2-44. Deductions from gross debt.

There shall be deducted from the gross debt of the local unit, to the extent included therein, the amount of bonds or notes issued and authorized but not issued:

a. for school purposes by a municipality or by a school district with boundaries coextensive with such municipality or of which such municipality is a part (other than a regional school district)

EXHIBIT J

Notwithstanding the provisions of section 9 of P. L. 1983, c. 240, the appropriation for election expenses may not be transferred to any other item of appropriation.

2. This act shall take effect immediately and be retroactive to July 1, 1983.

Approved September 29, 1983.

CHAPTER 354

AN ACT authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the sum of \$135,000,000.00 to provide money for public acquisition and development of lands for recreation and conservation purposes to meet the future needs of the expanding population; to enable the State to acquire and develop lands for recreation and conservation purposes; and to provide for grants and loans to assist municipalities and counties and other units of local government to acquire and develop lands for recreation and conservation purposes; providing the ways and means for establishing a revolving fund for such grants and loans; providing the ways and means to pay the interest of said debt and also to pay and discharge the principal thereof; and providing for the submission of this act to the people at a general election.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be known and may be cited as the "New Jersey Green Acres Bond Act of 1983."

2. The Legislature finds that:

- a. The provision of lands for public recreation and the conservation of natural resources promotes the public health, prosperity and general welfare and is a proper responsibility of government;
- b. Lands now provided for these purposes will not be adequate to meet the needs of an expanding population in years to come;
- c. The expansion of population, while increasing the need for these lands, will continually diminish the supply and tend to

increase the cost of public acquisition of lands available and appropriate for these purposes in the future;

d. It is necessary to provide incentives, in the form of grants and loans, to assist local units to acquire lands which have significant recreation and conservation attributes;

e. It is also necessary to provide funds to assure that lands which have been or may hereafter be acquired for recreation and conservation purposes can be developed so as to provide public recreation, preserve historic resources, and provide conservation opportunities and to implement the New Jersey Statewide Comprehensive Outdoor Recreation Plan;

f. The State of New Jersey must act now to acquire and develop as well as to assist local units to acquire and develop substantial quantities of such lands as are now available and appropriate for these purposes so that they may be used and preserved for use for these purposes;

g. The establishment of a mechanism for a continuing source of low-interest loans to local government units for the acquisition and development of lands for recreation and conservation will reduce the cost of and facilitate continuing acquisition programs; and

h. The sum of \$135,000,000.00 is needed at this time to make this acquisition and development possible.

3. a. Bonds of the State of New Jersey in the sum of \$135,000,000.00 are authorized to provide moneys to meet the cost of public acquisition and development of lands by the State for recreation and conservation purposes, and to provide loans and grants to local government units to help meet the cost of public acquisition and development of lands for recreation and conservation purposes.

b. Of the \$135,000,000.00 in bonds authorized under subsection a. herein, \$52,000,000.00 in bonds is allocated for the acquisition and development of lands by the State.

c. Of the \$135,000,000.00 in bonds authorized under subsection a. herein, \$83,000,000.00 in bonds is allocated for grants or loans to local government units for acquisition or development of land. Of the \$83,000,000.00 in bonds allocated pursuant to this subsection, not less than \$27,000,000.00 in bonds shall be allocated for grants and loans to local government units for the acquisition and development of land located in urbanized areas. Of the amount of bonds allocated for grants and loans to local government units for the acquisition and development of land located in urbanized areas, not

less than 66% shall be allocated for grants and loans to local government units for the acquisition and development of land located in municipalities which in any year subsequent to the enactment of P. L. 1978, c. 14 (C. 52:27D-178 et seq.) were eligible to receive State aid pursuant to that act.

d. To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of New Jersey of property under the provisions of this act, the State shall pay annually on October 1 to each municipality in which property is so acquired, for a period of 13 years following this acquisition the following amounts: in the first year a sum of money equal to the tax last assessed and last paid by the taxpayer upon this land and the improvements thereon for the taxable year immediately prior to the time of its acquisition and thereafter the following percentages of the amount paid in the first year, to wit: second year, 92%; third year, 84%; fourth year, 76%; fifth year, 68%; sixth year, 60%; seventh year, 52%; eighth year, 44%; ninth year, 36%; 10th year, 28%; 11th year, 20%; 12th year, 12%; 13th year, 4%. In the event that land acquired by the State pursuant to this act was assessed at an agricultural and horticultural use valuation in accordance with provisions of the "Farmland Assessment Act of 1964," P. L. 1964, c. 48 (C. 54:4-23.1 et seq.), at the time of its acquisition by the State, no rollback tax pursuant to section 8 of P. L. 1964, c. 48 (C. 54:4-23.8) shall be imposed as to this land nor shall this rollback tax be applicable in determining the annual payments to be made by the State to the municipality in which this land is located.

All sums of money received by the respective municipalities as compensation for loss of tax revenue pursuant to this section shall be applied to the same purposes as is the tax revenue from the assessment and collection of taxes on real property of these municipalities, and to accomplish this end the sums shall be apportioned in the same manner as the general tax rate of the municipality for the tax year preceding the year of receipt.

4. a. The cost of lands to be acquired or developed by the State for recreation and conservation purposes using the proceeds of bonds issued by the State under this act shall include 100% of the costs of acquisition or development of these lands by the State.

b. The cost of lands to be acquired or developed by a local government unit with a grant provided by the State under this act shall include not more than 25% of the cost of acquisition or

development of these lands by a local government unit, provided, however, that at such times as the balance of the "Green Trust Fund" exceeds \$83,000,000.00, the commissioner, in consultation with the State Treasurer, may increase the State's share of the cost of acquisition to a maximum of 50%. The local share of the cost of this acquisition may be reduced by the (1) fair market value, as determined by the commissioner, of any portion of the lands to be acquired which have been donated to, or otherwise received without cost by, the local unit; or (2) in the case of a conveyance to a local unit of the lands or any portion thereof at less than fair market value, by the difference between fair market value thereof at the time of the conveyance and the conveyance price thereof to the local unit.

c. The cost of lands to be acquired or developed by a local government unit with a loan provided by the State using proceeds of bonds issued by the State under this act shall include up to 100% of the cost of acquisition or development of these lands. The local share of the cost of this acquisition may be reduced in the manner provided in subsection b. of this section.

d. Loans made to local government units from the Green Trust Fund shall bear interest of not more than 2% per year, and shall be for a term of not more than 20 years.

e. No money from the Green Trust Fund shall be expended for a grant to a local government unit until such time as the sums available pursuant to P. L. 1961, c. 46; P. L. 1971, c. 165; P. L. 1974, c. 102; and P. L. 1978, c. 118 for that particular grant category have been appropriated and obligated.

5. As used in this act:

a. "Cost" means, in addition to the usual connotations thereof, the cost of all things deemed necessary or useful and convenient in connection with the acquisition and development of lands by or with the assistance of the State, for recreation and conservation purposes, including the interest or discount on bonds; the cost of issuance of bonds; the cost of engineering, inspection, relocation services, legal, financial, planning, geological, hydrological and other professional services, estimates and advice; the cost of a bond registrar and authenticating agent; the cost of organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer this act; and the cost of reimbursement of any fund of the State from which monies have been advanced to the funds created herein, or the

cost of reimbursement of any fund of the State of any monies heretofore expended for or in connection with this acquisition or development.

b. "Development" means any improvement to land or water areas designed to expand and enhance their utilization for recreation and conservation purposes, including, but not limited to, site preparation, landscaping, structures or facilities which are substantially consistent with the natural setting and topographical conditions. These support structures and facilities shall include, but are not limited to access roads, interpretative facilities, parking areas, utilities and comfort facilities.

c. "Land" or "lands" means real property, including improvements thereof or thereon, rights-of-way, water, riparian and other rights, easements, privileges and all other rights or interests of any kind or description in, relating to or connected with real property.

d. "Local government unit" means a municipality, county or other political subdivision of this State authorized to administer, protect, develop and maintain lands for recreation and conservation purposes, or any agency thereof, the primary purpose of which is to administer, protect, develop and maintain lands for recreation and conservation purposes.

e. "Recreation and conservation purposes" means the use of lands for parks, natural areas, historic areas, forests, camping, fishing, water reserves, wildlife reservoirs, hunting, boating, winter sports and similar uses for either public outdoor recreation or conservation of natural resources, or both.

f. "Commissioner" means the Commissioner of Environmental Protection.

g. "Commission" means the New Jersey Commission on Capital Budgeting and Planning.

6. The commissioner shall adopt, pursuant to law, such rules and regulations as are necessary and appropriate to carry out the provisions of this act. The commissioner shall review and consider the findings and recommendations of the commission in the administration of the provisions of this act.

7. The bonds to be issued under this act shall be serial bonds, term bonds or a combination thereof, and shall be known as "1983 New Jersey Green Acres Bonds." They may be subject to redemption prior to maturity, and, as to each series, the last installment thereof shall mature and be paid not later than 35 years from the

date of its issuance but may be issued in whole or in part for a shorter term. These bonds may be issued in coupon form, fully-registered form or book-entry form. Said bonds shall be issued from time to time as money is required for the purpose aforesaid, as the issuing officials herein named shall determine.

8. The Governor, State Treasurer and the Comptroller of the Treasury or any two of such officials (hereinafter referred to as "the issuing officials") are authorized to carry out the provisions of this act relating to the issuance of said bonds, and shall determine all matters in connection therewith, subject to provisions thereof. In case any of said officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by such person as shall be authorized by law to act in his place as a State official.

9. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith and credit of the State are pledged for the payment of the interest thereon as same shall become due and for the payment of the principal at maturity. The principal and interest on such bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

10. Said bonds shall be signed in the name of the State by the Governor or by his facsimile signature, under the Great Seal of the State, and attested by the manual or facsimile signature of the Secretary of State, or an Assistant Secretary of State, and shall be countersigned by the facsimile signature of the Comptroller of the Treasury and may be authenticated by an authenticating agent or registrar, as the issuing officials shall determine. Interest coupons attached to said bonds shall be signed by the facsimile signature of the director of the Comptroller of the Treasury. Such bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or coupons shall cease to hold office at the time of such issue or at the time of the delivery of such bonds to the purchaser.

11. a. Such bonds shall recite that they are issued for the purposes set forth in section 3 of this act and that they are issued in pursuance of this act and that this act was submitted to the people of the State at the general election held in the month of November, 1983 and that it was approved by a majority of the legally qualified voters of the State voting thereon at such election. Such recital in said bonds shall be conclusive evidence of the authority of the State

to issue said bonds and of their validity. Any bonds containing such recital shall in any suit, action or proceeding involving their validity be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of statutes applicable thereto, and shall be incontestable for any cause.

b. Such bonds shall be issued in such denominations and in such form or forms, whether coupon or registered as to both principal and interest, and with or without such provisions for interchangeability thereof, as may be determined by the issuing officials.

12. When the bonds are issued from time to time, the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; provided, that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

13. Said bonds shall be issued and sold at such price or prices, and under such terms, conditions and regulations, as the issuing officials may prescribe, after notice of said sale, published at least three times in at least three newspapers published in the State of New Jersey, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in New Jersey or in the city of New York, the first notice to be at least seven days prior to the day of bidding. The said notice of sale may contain a provision to the effect that any or all bids made in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale at such price or prices and under such terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the federal government or any agency thereof, at private sale, without advertisement.

14. Until permanent bonds can be prepared, the issuing officials may, in their discretion, issue in lieu of such permanent bonds temporary bonds in such form and with such privileges as to registration and exchange for permanent bonds as may be determined by the issuing officials.

15. The State Treasurer shall establish a fund to be known as the "1983 New Jersey Green Acres Fund," to be held in such depositories as may be selected by him, and shall deposit into the fund all proceeds of bonds issued by the State under this act for the purpose of acquisition and development of lands by the State. The moneys in said fund are specifically dedicated to meeting the cost of public acquisition and development of lands for recreation and conservation purposes and shall not be expended except in accordance with appropriations from such fund made by law. Any act appropriating moneys from the "1983 New Jersey Green Acres Fund" shall identify the particular project or projects to be funded with such moneys.

16. The State Treasurer shall also establish a fund to be known as the "Green Trust Fund," to be held in such depositories as may be selected by him, and transfer to the fund those moneys in the "1983 Green Acres Fund" which are required for the purpose of making loans and grants to local government units, all moneys derived from the payment of interest and principal on such loans by local government units, and such grants, contributions, donations and reimbursement from federal aid programs as may lawfully be used for the purposes of making loans and grants to local government units. The moneys in said fund are specifically dedicated to meeting the cost of the making of loans and grants to local government units for the acquisition and development of lands for recreation and conservation purposes and shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the "Green Trust Fund" shall identify the particular project or projects to be funded with such moneys.

17. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is authorized to transfer from any available money in the treasury of the State to the credit of the "1983 New Jersey Green Acres Fund" or the "Green Trust Fund," as the case may be, such sum as may be deemed necessary for the purposes of this act by the State House Commission, which said sum so transferred shall be returned to the treasury of this State by the treasurer thereof from the proceeds of the sale of the first issue of bonds.

18. Pending their application to the purposes provided in this act, moneys in the "1983 New Jersey Green Acres Fund" or the "Green

Trust Fund" may be invested and reinvested as other trust funds in the custody of the State Treasurer in the manner provided by law. All earnings received from the investment or deposit of moneys in the "Green Trust Fund" shall be redeposited and become a part of that fund. Earnings received from the investment or deposit of moneys in the "1983 New Jersey Green Acres Fund" shall be paid into the general treasury and become a part of the General Fund.

19. Any proceeds from the sale of lands acquired with funds made available by this act may be deposited in any fund established pursuant to P. L. 1961, c. 46; P. L. 1971, c. 165; P. L. 1974, c. 102; P. L. 1978, c. 118; or any subsequent bond act enacted for similar purposes.

20. In case any coupon bonds and coupons thereunto appertaining or any registered bond shall become lost, mutilated or destroyed, a new bond shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bonds or coupons, upon the owner furnishing to the issuing officials evidence satisfactory to them of such loss, mutilation or destruction and also such security and indemnity as the issuing officials may require.

21. Any accrued interest received upon the sale of said bonds which is derived from the \$52,000,000.00 allocated for State acquisition and development projects shall be applied to discharge of a like amount of interest upon said bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, registration, authentication, legal or other services necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of said bonds, by the State Treasurer upon warrant of the Comptroller of the Treasury, in the same manner as other obligations of the State are paid.

22. The bonds shall mature, including any sinking fund redemptions, at such times, not more than 35 years following the date of issuance thereof, and in such amounts as the issuing officials shall determine. The issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem all or any of such bonds prior to maturity at such price or prices and upon such terms and conditions as may be provided in such bonds. Refunding bonds may be consolidated with bonds issued under this act or any other act for the purpose of sale.

23. The issuing officials may at any time and from time to time issue refunding bonds for the purpose of refunding in whole or in part an equal principal amount of the bonds of any series issued and outstanding hereunder, which by their terms are subject to redemption prior to maturity, provided such refunding bonds shall mature at any time or times not later than the latest maturity date of such series, and the aggregate amount of interest to be paid on the refunding bonds, plus the premium, if any, to be paid on the bonds refunded, shall not exceed the aggregate amount of interest which would be paid on the bonds refunded if such bonds were not so refunded. Refunding bonds shall constitute direct obligations of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the principal thereof and the interest thereon. The proceeds received from the sale of refunding bonds shall be held in trust and applied to the payment of the bonds refunded thereby. Refunding bonds shall be entitled to all the benefits of this act and subject to all its limitations except as to the maturities thereof and to the extent herein otherwise expressly provided.

24. To provide funds to meet the interest and principal payment requirements for the bonds issued under this act and outstanding, there is appropriated in the order following:

a. Revenue derived by the State from fees and other charges of any nature made for the use of State parks and other State recreational facilities or so much thereof as may be required;

b. Revenue derived from the tax collected under and by virtue of the provisions of the "Corporation Business Tax Act (1945)," P. L. 1945, c. 162 (C. 54:10A-1 et seq.), as amended and supplemented, or so much thereof as may be required; and

c. If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available, then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which such tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected

in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which such municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General Fund beyond the needs of the State, sufficient to meet the principal of bonds falling due and all interest payable in the ensuing calendar year, then and in that event such issuing officials shall by resolution so find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a separate fund to be designated by him, and shall pay the principal and interest out of said fund as the same shall become due and payable, and the other sources of payment of said principal and interest provided for in this section shall not then be available, and the receipts for said year from the fees, charges and taxes specified in subsections a. and b. of this section shall be treated as part of the General Fund, available for general purposes.

25. Should the State Treasurer by December 31 of any year deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for such purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In such case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. Such calculation shall be based upon the corrected assessed valuation of each county for the year preceding the year in which such tax is to be assessed, but such tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify said amount to the county board of taxation and the county treasurer of each county. The county board of taxation shall include the proper amount in the current tax levy of the

several taxing districts of the county in proportion to the ratables as ascertained for the current year.

26. For the purpose of complying with the provisions of the State Constitution, this act shall, at the general election to be held in the month of November, 1983, be submitted to the people. In order to inform the people of the contents of this act it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the clerks respectively shall cause to be printed on each of the ballots, the following:

If you approve the act entitled below, make a cross (X), plus (+), or check (✓) mark in the square opposite the word "Yes."

If you disapprove the act entitled below, make a cross (X), plus (+), or check (✓) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

EXHIBIT K

If a member elects to purchase credit for temporary service and retires prior to completing payment therefor, the member shall receive a pro rata credit for the service purchased prior to the date of retirement, but if the member elects at the time of retirement, the member may make an additional lump sum payment at that time as will be necessary to provide full credit.

2. This act shall take effect immediately.

Approved December 20, 1984.

CHAPTER 224

AN ACT appropriating \$19,007,500.00 from the "1983 New Jersey Green Acres Fund" and \$20,500,000.00 from the "Green Trust Fund" to enable the State and local units of government to acquire and develop land for recreation and conservation purposes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. There is appropriated to the Department of Environmental Protection from the "1983 New Jersey Green Acres Fund," established pursuant to section 15 of the "New Jersey Green Acres Bond Act of 1983" (P. L. 1983, c. 354), the sum of \$19,007,500.00 for the purposes of public acquisition and development of lands by the State for recreation and conservation purposes. This sum shall include administrative costs and shall be allocated as follows:

a. For the State development of the following projects, \$9,807,500.00:

<i>STATE FACILITY</i>	<i>COUNTY</i>	<i>PROJECT</i>
Allaire State Park	Monmouth	Allaire Fire Engine Museum; construction
Allaire State Park	Monmouth	Allaire Village Bakery restoration; construction
Allaire State Park	Monmouth	Campground washhouse heating conversion; construction

<i>STATE FACILITY</i>	<i>COUNTY</i>	<i>PROJECT</i>
Allaire State Park	Monmouth	Nature center bridge and parking; design and construction
Allamuchy State Park	Sussex Warren	Allamuchy Pond dam; construction
Allamuchy State Park	Sussex Warren	Cranberry Lake dam; construction
Allamuchy State Park	Sussex Warren	Deer Park Pond dam; construction
Allamuchy State Park	Sussex Warren	Waterloo dam; construction
Barnegat Lighthouse State Park	Ocean	Bulkhead replacement; planning
Belleplaine State Forest	Cape May Cumberland	Administrative facility; design
Cape May Point State Park	Cape May	Parking lot expansion; construction
Delaware and Raritan Canal State Park	Hunterdon Mercer Middlesex Somerset	Historic structures upkeep; design and construction
Delaware and Raritan Canal State Park	Hunterdon Mercer Middlesex Somerset	Maintenance facility improvements; design
Double Trouble State Park	Ocean	Office utilities and park; parking design
Heislerville fishermen access	Cumberland	Site development; access design and construction
High Point State Park	Sussex	New group cabin; design
Historic villages program	Statewide	Restoration and reconstruction; design and construction
Kingwood fishermen access	Hunterdon	Parking lot expansion; design
Lebanon State Forest	Burlington Ocean	Pakim Pond dam; design and construction

<i>STATE FACILITY</i>	<i>COUNTY</i>	<i>PROJECT</i>
Leonardo State Marina	Monmouth	Boat ramp parking; construction
Leonardo State Marina	Monmouth	Bulkhead replacement; construction
Leonardo State Marina	Monmouth	Dredging; construction
Liberty State Park	Hudson	Ferry slips and concourse restoration; design and construction
Liberty State Park	Hudson	Interpark road extension; construction
Morris Canal and Banking	Morris Passaic	Pompton dam; construction
Morven historic site	Mercer	Olde Quarters rehabilitation; planning
Old Barracks historic site	Mercer	Officers' Quarters interior and exterior restoration; design and construction
Olden House historic site	Mercer	Stabilization and improvements; design
Palisades Interstate Park	Bergen	Safety fencing along the Palisades cliffs; design and construction
Palisades Interstate Park	Bergen	Sanitary facility improvement; design and construction
Parvin State Park	Salem Cumberland	Bathhouse renovation; design
Prospertown Lake fish and wildlife management area	Ocean	Prospertown Lake dam repair; planning, design and construction
Prospertown Lake recreation area	Ocean	Prospertown Lake renovation; design and construction
Ramapo Mountain State Forest	Bergen	Ramapo dam; construction
Ringwood State Park	Passaic	Green Turtle Pond dam repair; design
Ringwood State Park	Passaic	Sally's Pond dam stabilization; construction

<i>STATE FACILITY</i>	<i>COUNTY</i>	<i>PROJECT</i>
Ringwood State Park	Passaic	Shepherd Lake entrance road repair; construction
Ringwood State Park	Passaic	Shepherd Lake maintenance complex; design
Round Valley recreation area	Hunterdon	Roof replacement maintenance shop; design and construction
Round Valley recreation area	Hunterdon	Wading pool replacement; design and construction
Round Valley recreation area	Hunterdon	Walkway and patio restoration; construction
Round Valley recreation area	Hunterdon	Wilderness camping area; sanitary facilities; construction
Spring Meadow golf course	Monmouth	Parking and course expansion; construction
Spruce Run recreation area	Hunterdon	Beach sand replacement; construction
Spruce Run recreation area	Hunterdon	Sewerage facility renovation; construction
Stokes State Forest	Sussex	Shotwell area sanitary facilities; construction
Stokes State Forest	Sussex	Skellinger, Stony Lake and Ocquittunk dam improvements; construction
Swartswood State Park	Sussex	New office; design
Union Lake wildlife area	Cumberland	Dam repair; management, planning and design
Voorhees State Park	Hunterdon	Sanitary facilities; construction
Washington Crossing State Park	Mercer	New office; design
Washington Crossing State Park	Mercer	Walkway to visitor center; design and construction
Wawayanda State Park	Sussex Passaic	Day-use facility development; design

<i>STATE FACILITY</i>	<i>COUNTY</i>	<i>PROJECT</i>
Wharton State Forest	Burlington Camden Atlantic	Atsion office and maintenance complex; construction
Wharton State Forest	Burlington Camden Atlantic	Green Bank security; design and construction
Worthington State Forest	Warren	River Road reconstruction; planning

b. For State acquisition of the following projects, \$9,200,000.00:

<i>PROJECT</i>	<i>COUNTY</i>
Allamuchy State Park	Sussex, Warren
Bear Swamp and Eaglelands	Cumberland
Berkshire Valley	Morris
Higbee Beach	Cape May
Hillsborough	Somerset
Jenny Jump State Forest	Warren
Johnsburg natural area	Warren
Kittatinny	Sussex
Monksville	Passaic
Mount Hope	Morris
Pinelands	Burlington, Ocean, Atlantic
Sparta-Jefferson	Morris, Sussex
Troy Meadows	Morris
Condemnation awards	Statewide
Marine and freshwater access sites	Statewide
Opportunities and contingencies	Statewide
Trail corridors	Statewide

2. There is appropriated to the Department of Environmental Protection from the "Green Trust Fund," established pursuant to section 16 of the "New Jersey Green Acres Bond Act of 1983" (P. L. 1983, c. 354), the sum of \$20,500,000.00 to provide loans to assist local units of government to acquire and develop land for recreation and conservation purposes, which sum shall include administrative costs. The following projects shall be eligible for funding with the monies appropriated pursuant to this section:

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Buena Borough	Atlantic	Blackwater Pond and park acquisition
Hammonton Town	Atlantic	Hammonton Lake Park
Atlantic City	Atlantic	Virginia and Mediterranean Avenue playfield rehabilitation
Franklin Lakes Borough	Bergen	Indian Trail Drive wetlands acquisition
Oakland Borough	Bergen	Recreation improvement and development
Paramus Borough	Bergen	Boys' Club acquisition
Fort Lee Borough	Bergen	Municipal recreation site (Lewis Street)
Bogota Borough	Bergen	Olsen, Mill's, Pagano parks
Closter Borough	Bergen	Ver Valen Street
Closter Borough	Bergen	Tenakill Brook Tract
Rutherford Borough	Bergen	Memorial Park Phase II
Oradell Borough	Bergen	Multi-park
Garfield City	Bergen	Multi-park rehabilitation
Cresskill Borough	Bergen	Third Street Park
Rutherford Borough	Bergen	Rutherford Canoe, Yacht Club restoration
Hillsdale Borough	Bergen	Stonybrook recreation complex improvement
Washington Township	Bergen	Multi-park
Cliffside Park Borough	Bergen	Athletic facility Phase II
Demarest Borough	Bergen	Wakelee Field recreation improvement
East Rutherford Borough	Bergen	Marina waterfront park acquisition
Saddle Brook Township	Bergen	Multi-park rehabilitation
North Arlington Borough	Bergen	Riverview Playground
Bergen County	Bergen	Hackensack River County Park
Carlstadt Borough	Bergen	Zimmermann Park
Carlstadt Borough	Bergen	Lindbergh Field
North Arlington Borough	Bergen	Danny Morris Park

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Burlington Township	Burlington	Assiscunk Creek Park Phase III
Willingboro Township	Burlington	Mill Creek recreation area
Willingboro Township	Burlington	Smithville Park, water-based recreation facility
Pemberton Township	Burlington	West End improvement project
Pemberton Township	Burlington	Country lakes neighborhood recreation area
Pemberton Township	Burlington	Central Park South
Pemberton Township	Burlington	Presidential Lakes neighborhood recreation area
Pemberton Township	Burlington	Central Park East
Pemberton Township	Burlington	Central Park West
Bordentown City	Burlington	City Beach boat ramp
Delran Township	Burlington	Tenby, Chase, Princeton parks
Burlington City	Burlington	Riverfront West
Burlington City	Burlington	Clark Street, Sixth Street parks
Burlington City	Burlington	Columbus Park
Burlington City	Burlington	Riverfront West
Burlington City	Burlington	Farness Avenue, Logan Field
Waterford Township	Camden	Municipal Park
Winslow Township	Camden	New Brooklyn Park field lighting
Camden County Park Commission	Camden	Camden Waterfront Park Phase III
Lindenwold Borough	Camden	Kirkwood Lake Park Phase I
Camden City	Camden	Rutgers athletic facility
Camden City	Camden	Northgate Park
Somerdale Borough	Camden	Nature Trail Park
Berlin Township	Camden	Day Avenue recreation area
Berlin Township	Camden	Cooper Road recreation and open space area
Gloucester Township	Camden	Sherwood Day Camp
Gloucester Township	Camden	Veterans' Memorial Park
Gloucester Township	Camden	Jarvis Road complex

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Sea Isle City	Cape May	Townsend's Inlet Waterfront Park
North Wildwood City	Cape May	Hereford Lighthouse Park
Ocean City	Cape May	Sixth Street and Atlantic Avenue athletic site
Ocean City	Cape May	Memorial Park
Vineland City	Cumberland	Cunningham Park
Lawrence Township	Cumberland	Cedar Lake acquisition project
Bridgeton City	Cumberland	Cohansey River development project Phase II
Millville City	Cumberland	Maurice River waterfront recreation Phase II
Irvington Town	Essex	Revitalization of Chancellor Park
Cedar Grove Township	Essex	Community Park
South Orange Township Village	Essex	Village Square Urban Park development project
North Caldwell Township	Essex	Hilltop recreation site
North Caldwell Township	Essex	Recreation complex improvement
West Caldwell Township	Essex	Richard Park improvement
Nutley Town	Essex	Louden Park
West Orange Township	Essex	Frank O'Connor Memorial Park athletic field light
Belleville Township	Essex	Williams Street playground
Belleville Township	Essex	Belleville Stadium
Essex County	Essex	Multi-park 3
Newark City	Essex	Newark-Passaic riverfront project
Essex County	Essex	Multi-park 4
West Deptford Township	Gloucester	Mid-Atlantic sports complex
Woodbury City	Gloucester	Woodbury Lake restoration project
National Park Borough	Gloucester	JFK Field lighting
Logan Township	Gloucester	Beckett area park
Logan Township	Gloucester	Bridgeport area park

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Monroe Township	Gloucester	Earl E. Owens Memorial Park
Washington Township	Gloucester	Township Park
Hudson County	Hudson	Lincoln Park West development
Jersey City	Hudson	Caven Point recreational facility
North Bergen Township	Hudson	James T. Braddock Athletic Field
Union City	Hudson	Rehabilitation 45th and 46th Street Parks
Harrison Town	Hudson	Harrison riverfront recreation park
Bayonne City	Hudson	Waterfront improvement—16th Street Park
Bayonne City	Hudson	Waterfront improvement—Bayonne Bridge Park
Delaware Township	Hunterdon	Wickecheokee Creek
Hunterdon County	Hunterdon	Devil's Tea Table
Hunterdon County	Hunterdon	South Branch Reservoir
Hunterdon County	Hunterdon	Nature preserve project
Hunterdon County	Hunterdon	Washington Rock
Readington Township	Hunterdon	Pleasant Run Conservation recreation acquisition
East Windsor Township	Mercer	Etra Lake restoration project
Hightstown Borough	Mercer	Peddie Lake restoration
Pennington Borough	Mercer	Curlis Lake—Beach Woods
Highland Park Borough	Middlesex	Waterfront Park, Riverside Park
Old Bridge Township	Middlesex	East Old Bridge—Geick Park
Monroe Township	Middlesex	Middlesex Downs Phase III
New Brunswick City	Middlesex	Baker Park renovation
East Brunswick Township	Middlesex	Main Street Park
South Brunswick Township	Middlesex	Kingston RR Branch—Heatcote Brook
Woodbridge Township	Middlesex	Clyde Avenue playground
Woodbridge Township	Middlesex	Kennedy Park lighting
Woodbridge Township	Middlesex	Prospect Park

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Woodbridge Township	Middlesex	Boynton Park
South Amboy City	Middlesex	Conover Street playground development
South Belmar Borough	Monmouth	Como Lake shorefront improvement
Long Branch City	Monmouth	Ocean Place promenade
Monmouth County	Monmouth	Twitchell, Marlua property
Bradley Beach Borough	Monmouth	Recreation, expansion of the Fitness Park
Shrewsbury Township	Monmouth	Shrewsbury Township recreational field
Monmouth Beach Borough	Monmouth	Griffin Park
Middletown Township	Monmouth	Improvement and restoration of Ideal Beach
Red Bank Borough	Monmouth	Maple Avenue boat ramp
Red Bank Borough	Monmouth	Mohawk Pond rehabilitation
Englishtown Borough	Monmouth	Sanford Memorial Park
Neptune Township	Monmouth	Jumping Brook and Sunshine Village Park
Howell Township	Monmouth	Aldrich Lake Park and conservation area
Holmdel Township	Monmouth	The Mohrbutter Tract
Middletown Township	Monmouth	Bicentennial Park
Spring Lake Borough	Monmouth	Rehabilitation of Divine Park
Aberdeen Township	Monmouth	Midland Park
Millstone Township	Monmouth	Millstone Park
Manasquan Borough	Monmouth	Mac's Pond
Montville Township	Morris	John Street Neighborhood Park
Mine Hill Township	Morris	Mine Hill Recreation Center
Jefferson Township	Morris	Liffy Island
Lincoln Park Borough	Morris	Beavertown Park
Wharton Borough	Morris	Columbia Street and Robert Street Park
East Hanover Township	Morris	Lurker Park
Randolph Township	Morris	Randolph Park development
Rockaway Borough	Morris	Farview Park development
Randolph Township	Morris	Brundage Park Phase III

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Parsippany-Troy Hills Township	Morris	Volunteer's, Lake Parsippany, Smith Field Lake Park
Dover Town	Morris	Bowlby Park
Passaic Township	Morris	Clover Hill recreational facility
Morris County Park Commission	Morris	Clover Hill addition to Passaic River Park
Butler Borough	Morris	Stonybrook land acquisition
East Hanover Township	Morris	Lurker Park extension
Rockaway Township	Morris	Mount Hope Pond
Morris County Park Commission	Morris	Hedden Park addition 1984
Morris County Park Commission	Morris	Saffin addition to Mahlon Dickerson Reservoir
Chatham Township	Morris	Mount Vernon Park
Mendham Township	Morris	Buttermilk Falls natural area
Point Pleasant Borough	Ocean	Bridge Avenue extension acquisition
Ocean County	Ocean	Wells Mills County Park
Point Pleasant Beach Borough	Ocean	Pleasure Park
Point Pleasant Beach Borough	Ocean	Boardwalk deck construction
Lacey Township	Ocean	Municipal Park
Manenester Township	Ocean	Harry Wright Park golf course
Stafford Township	Ocean	Ocean Acres Park at Holiday Lake
Lakewood Township	Ocean	Downtown development
Lakewood Township	Ocean	Green Garden Swim Club
Little Egg Harbor Township	Ocean	Multi-park
Barnegat Township	Ocean	Barnegat recreation dock area
Barnegat Township	Ocean	Barnegat Township recreation baseball and soccer

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Jackson Township	Ocean	Johnson Park development project
Brick Township	Ocean	Ocean Beach III development project
West Milford Township	Passaic	Mount Laurel Park
Paterson City	Passaic	Westside Park rehabilitation
Passaic City	Passaic	MacDonald's Brook renovation
Wayne Township	Passaic	Barbour's Pond Park
Wanaque Borough	Passaic	Back Beach Park improvement project
Wanaque Borough	Passaic	Lakeside Avenue Park acquisition
Totowa Borough	Passaic	Recreation facility acquisition
Salem City	Salem	Fenwick Park
Salem County	Salem	Salem City Fairgrounds recreation area
Bedminster Township	Somerset	River Road Park
Franklin Township	Somerset	Nassau Park
North Plainfield Borough	Somerset	Stony Brook Field
Raritan Borough	Somerset	Raritan River Park
Franklin Township	Somerset	Six-Mile Run surplus acquisition
Franklin Township	Somerset	Van Wyckle development
Bridgewater Township	Somerset	Kazanjian tract
Bernardsville Borough	Somerset	Green Acres Trust proposal
Hopatcong Borough	Sussex	Municipal Park
Stanhope Borough	Sussex	Furnace Pond Park acquisition
Franklin Borough	Sussex	Franklin Pond recreation facilities
Green Township	Sussex	Scenic Drive and Heddon Road recreation facility
Elizabeth City	Union	Arthur Kill Water Park Phase II
Clark Township	Union	Brewer Municipal Complex
Cranford Township	Union	Bloomington recreation site
Cranford Township	Union	Memorial Park

<i>Local Government Unit</i>	<i>County</i>	<i>Project</i>
Rahway City	Union	Essex Street Riverfront Park
Harmony Township	Warren	Harmony Township ballfields and recreation site
Hackettstown	Warren	25-Meter and 8-lane pool project
Pohatcong Township	Warren	Pohatcong Township Green Acres

3. Pursuant to the provisions of subsection d. of section 4 of the "New Jersey Green Acres Bond Act of 1983" (P. L. 1983, c. 354), all loans made to local government units with monies appropriated pursuant to section 2 of this act shall bear interest of not more than 2% per year, and shall be for a term of not more than 20 years. All principal and interest payments repaid by the local government units shall be deposited into the "Green Trust Fund" in accordance with the terms of a written loan agreement. The terms of the loan agreement shall be approved by the State Treasurer.

4. In order to provide flexibility in administering this act, the Commissioner of the Department of Environmental Protection may request the Director of the Division of Budget and Accounting in the Department of the Treasury to authorize the transfer of a part of any item to any other item of appropriation, within the limitations imposed under sections 3 and 4 of P. L. 1983, c. 354, and upon the written authorization of the transfer by the director and the Subcommittee on Transfers of the Joint Appropriations Committee or its designated successor, the commissioner shall make the transfer.

5. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P. L. 1983, c. 354.

6. This act shall take effect immediately.

Approved December 20, 1984.

EXHIBIT L

Interfund Transfers

(thousands of dollars)

Beaches and Harbor Fund	1
Building Our Future Fund	195
Dam, Lake, Stream and Flood Control Project Fund - 2003	11
Developmental Disabilities Waiting List Reduction Fund	1
Dredging and Containment Facility Fund	454
Enterprise Zone Assistance Fund	80,479
Fund for the Support of Free Public Schools	4,668
Garden State Farmland Preservation Trust Fund	2,051
Garden State Green Acres Preservation Trust Fund	5,573
Garden State Historic Preservation Trust Fund	672
Hazardous Discharge Site Cleanup Fund	18,903
Housing Assistance Fund	5
Judiciary Bail Fund	33
Judiciary Probation Fund	9
Judiciary Special Civil Fund	4
Judiciary Superior Court Miscellaneous Fund	3
Legal Services Fund	11,000
Mortgage Assistance Fund	475
Motor Vehicle Security Responsibility Fund	1
NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund	3
Natural Resources Fund	1
New Jersey Spill Compensation Fund	16,744
New Jersey Workforce Development Partnership Fund	32,021
Pollution Prevention Fund	1,016
Safe Drinking Water Fund	2,556
Shore Protection Fund	7
State Disability Benefit Fund	38,709
State Land Acquisition and Development Fund	1
State Lottery Fund	1,000,000
State Lottery Fund - Administration	13,271
State of New Jersey Cash Management Fund	1,563
Statewide Transportation and Local Bridge Fund	7
Supplemental Workforce Fund for Basic Skills	2,000
Unclaimed Insurance Payments on Deposit Accounts Trust Fund	8
Unclaimed Personal Property Trust Fund	174,111
Unclaimed Utility Deposits Trust Fund	7
Unemployment Compensation Auxiliary Fund	13,322
Universal Service Fund	67,337
Wage and Hour Trust Fund	2
Water Conservation Fund	1
Water Supply Fund	4,384
Worker and Community Right to Know Fund	2,763
<i>Total Interfund Transfers</i>	<u>1,494,372</u>
<i>Total Revenues, General Fund</i>	<u>19,023,241</u>
<i>Total Resources, General Fund</i>	<u>19,551,272</u>

42. ENVIRONMENTAL PROTECTION

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

44. SITE REMEDIATION AND WASTE MANAGEMENT

4910. SOLID AND HAZARDOUS WASTE

23. SOLID AND HAZARDOUS WASTE MANAGEMENT

<u>NICFS Account No.</u>	<u>IPB Account No.</u>	<u>Direct State Services</u>	(thousands of dollars)
<i>Personal Services:</i>			
16-100-042-4910-002	4910-100-230000-12	Salaries and Wages	(4,672)
16-100-042-4910-003	4910-100-230000-2	Materials and Supplies	(40)
16-100-042-4910-004	4910-100-230000-3	Services Other Than Personal	(255)
16-100-042-4910-005	4910-100-230000-4	Maintenance and Fixed Charges	(16)
<i>Special Purpose:</i>			
16-100-042-4910-221	4910-101-234000-5	Office of Dredging and Sediment Technology	(454)
<i>Total Appropriation, Solid and Hazardous Waste</i>			<u>5,437</u>
<i>Total Appropriation, Site Remediation and Waste Management</i>			<u>75,504</u>

Language -- Direct State Services - General Fund

16-100-042-4815-105	4815-101-270000	In addition to site specific charges, the amounts hereinabove for the Remediation Management and Response program classification, excluding the Hazardous Discharge Site Cleanup Fund - Responsible Party and the Underground Storage Tanks accounts, are appropriated from the New Jersey Spill Compensation Fund, in accordance with the provisions of P.L.1976, c.141 (C.58:10-23.11 et seq.), together with an amount not to exceed \$9,362,000 for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.
16-100-042-4815-106		
16-100-042-4815-107		
16-100-042-4815-108		
16-100-042-4815-109		
16-100-042-4815-110		
16-100-042-4815-122	4815-101-270090-5	The amount hereinabove for the Hazardous Discharge Site Cleanup Fund - Responsible Party account is appropriated from responsible party cost recoveries deposited into the Hazardous Discharge Site Cleanup Fund, together with an amount not to exceed \$14,476,000 for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting. In addition to the amount hereinabove, there is appropriated to the Hazardous Discharge Site Cleanup Fund - Responsible Party account such additional amounts, as necessary, received from cost recoveries and from the Licensed Site Remediation Professionals fees and deposited into the Hazardous Discharge Site Cleanup Fund, for the cleanup of hazardous waste sites and the costs associated with the "Site Remediation Reform Act," P.L.2009, c.60 (C.58:10C-1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.
16-100-042-4800-002	4800-100-990000-12	Notwithstanding the provisions of any law or regulation to the contrary, from the amounts hereinabove appropriated from the Hazardous Discharge Site Cleanup Fund and from the New Jersey Spill Compensation Fund, such amounts as are necessary are appropriated for costs associated with the Administration and Support Services program, subject to the approval of the Director of the Division of Budget and Accounting.
16-100-042-4910-001	4910-100-230000	Receipts in excess of the amount anticipated from Solid Waste Utility Regulation, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated to the Solid and Hazardous Waste Management program classification and "County Environmental Health Act," P.L.1977, c.443 (C.26:3A2-21 et seq.) agencies for costs incurred to oversee the State's recycling efforts and other solid waste program activities.
16-100-042-4910-002		
16-100-042-4910-003		
16-100-042-4910-004		
16-100-042-4910-005		
16-100-042-4910-007	4855-495-083130-6	
16-100-042-4910-221	4910-101-234000-5	The amount hereinabove appropriated for the Office of Dredging and Sediment Technology is appropriated from the 1996 Dredging and Containment Facility Fund, created pursuant to section 18 of P.L.1996, c.70, the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996," together with an amount not to exceed \$355,000 for the administration of the Dredging and Sediment Technology program, subject to the approval of the Director of the Division of Budget and Accounting. In addition to the federal funds amount for the Publicly-Funded Site Remediation program classification and the Remediation Management and Response program classification, such additional amounts that may be received from the federal government for the Superfund Grants program are hereby appropriated for the same purpose. Receipts from the sale of salvaged materials are appropriated to offset costs incurred in the cleanup and removal of hazardous substances. Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.) or any other law to the contrary, monies appropriated to the Department of Environmental Protection from the Clean Communities Program Fund shall be provided by the department to the New Jersey Clean Communities Council pursuant to a contract between the department and the New Jersey Clean Communities Council to implement the requirements of the Clean Communities Program pursuant to subsection d. of section 6 of P.L.2002, c.128 (C.13:1E-218). Notwithstanding the provisions of any law or regulation to the contrary, there is appropriated from the Hazardous Discharge Site Cleanup Fund an amount of \$6,000,000 for the direct and indirect costs of legal and consulting services associated with litigation related to the Passaic River cleanup, subject to the approval of the Director of the Division of Budget and Accounting.

EXHIBIT M



<u>Dredging and Containment Facility Fund</u>	<u>1996 Economic Development Site Fund</u>	<u>Emergency Flood Control Fund</u>	<u>Emergency Services Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
42,392	99	868	4,216
-	-	-	-
<u>42,392</u>	<u>99</u>	<u>868</u>	<u>4,216</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,380,102	-	-	-
1,045,024	92,851	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,425,126</u>	<u>92,851</u>	<u>-</u>	<u>-</u>
<u>(3,382,734)</u>	<u>(92,752)</u>	<u>868</u>	<u>4,216</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(429,975)	-	(868)	-
<u>(429,975)</u>	<u>-</u>	<u>(868)</u>	<u>-</u>
<u>(3,812,709)</u>	<u>(92,752)</u>	<u>-</u>	<u>4,216</u>
17,005,484	554,527	284,111	2,233,089
<u>\$ 13,192,775</u>	<u>\$ 461,775</u>	<u>\$ 284,111</u>	<u>\$ 2,237,305</u>

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