

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority (“Authority” or “NJTTFA”) held via GoToMeeting from the Office of the Commissioner in the Main Office Building of the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on May 20, 2021 at 11:03 AM (ET).

The following Authority members were present:

- Diane Gutierrez-Scaccetti, NJTTFA Chairperson, Commissioner, New Jersey Department of Transportation
- Michael Kanef, NJTTFA Treasurer (Director, Office of Public Finance, New Jersey Department of the Treasury / Designee for the Honorable Elizabeth Maher Muoio, New Jersey State Treasurer)
- Robert A. Briant, Jr., NJTTFA Public Member (Joined at 11:06 AM)
- Gregory Lalevee, NJTTFA Public Member
- John J. Duthie, NJTTFA Public Member
- Nelson Ferreira, NJTTFA Public Member

Constituting a quorum of the Members of the Authority.

There were also present:

- Lewis Daidone, NJTTFA Executive Director; Assistant Commissioner Finance and Administration, NJDOT
- Samuel Braun, NJTTFA Comptroller; Office of the Assistant Commissioner, Finance and Administration, NJDOT
- Jackie Brown, NJTTFA Secretary; NJDOT

- Naileen Rodriguez, NJTTFA Assistant Secretary; NJDOT
- Aimee Manocchio Nason, Deputy Attorney General, NJ Attorney General's Office
- Susan Wilkerson, Deputy Attorney General, NJ Attorney General's Office
- Janice Venables, Governor's Authorities Unit
- Snehal Patel, Assistant Commissioner, Capital Program Management, NJDOT
- Andrew Tunnard, Assistant Commissioner, Transportation Operations Systems & Support, NJDOT
- Laine Rankin, Director, Local Aid & Economic Development, NJDOT
- Tyrone Woodward, Information Technology, NJDOT
- Khalid Anjum, NJTTFA Public Member (non-voting)

Chairperson Diane Gutierrez-Scaccetti presided at the meeting and Naileen Rodriguez, NJTTFA Assistant Secretary, kept the minutes.

Chairperson Diane Gutierrez-Scaccetti convened the meeting at 11:03 AM. She introduced herself and made the following statement:

"I wish to announce that adequate notice of today's meeting of the New Jersey Transportation Trust Fund Authority has been provided in accordance with the Open Public Meetings Act. Notice was filed with the Secretary of State. This notice was e-mailed and mailed to five [5] newspapers of general distribution (The Trentonian, Trenton Times, Courier Post, Star Ledger, and the Atlantic City Press); posted on the Authority's website and posted in the main entrance of the New Jersey Department of Transportation's Headquarters."

Assistant Secretary Naileen Rodriguez called the roll. The following acknowledged their presence: Diane Gutierrez-Scaccetti, John Duthie, Nelson Ferreira, Gregory Lalevee, and Michael Kanef. Chairperson Diane Gutierrez-Scaccetti acknowledged that a quorum was present.

Chairperson Diane Gutierrez-Scaccetti introduced Khalid Anjum as the newest member of the NJTTFA who, upon completion of Oath of Office paperwork, will become a voting member. Mr. Anjum thanked Chairperson Diane Gutierrez-Scaccetti.

Chairperson Diane Gutierrez-Scaccetti listed other attendees of the meeting. She then opened the floor for public comment. She stated that for members of the public that would like to speak, to please identify themselves and express their comments or questions at this time. There were no comments or questions from the public.

NJTTFA Board Member Robert A. Briant, Jr. joined the meeting after the roll call and acknowledged his presence.

Chairperson Diane Gutierrez-Scaccetti called the first order of business by requesting a motion to approve the minutes of the Authority's Board meeting held on March 18, 2021. Nelson Ferreira moved to approve the following resolution approving the Authority's March 18, 2021 meeting minutes:

***WHEREAS**, Article II, Section 2 of the By-laws of the New Jersey Transportation Trust Fund Authority (the "Authority") provides that the minutes of actions taken at the meetings of the Authority be approved by the Authority.*

***NOW, THEREFORE, BE IT RESOLVED**, that the minutes taken at the meeting of March 18, 2021 of the New Jersey Transportation Trust Fund Authority are hereby approved.*

The motion was seconded by Robert Briant, Jr. and adopted on a call of roll as follows:

AYE: 6

NAY: 0

ABSTAIN: 0

ABSENT: 0

For the next order of business, Chairperson Diane Gutierrez-Scaccetti called upon Executive Director Lewis Daidone to lead a discussion of the NJTTFA's proposed Fiscal Year 2022 Financial Plan which by law must be submitted to the Governor, the Senate, the General Assembly, and the Transportation Policy Review Board. The plan outlines the projected results of operations and financing strategy as it relates to the State's portion of the capital programs for the New Jersey Department of Transportation and NJ Transit that are proposed for Fiscal Year 2022.

Mr. Daidone stated that each year the NJTTFA must adopt a Financial Plan that includes prior results and an estimate of: bond issuances for the current year; funding sources; amounts appropriated and expended; and obligations for future expenses. Mr. Daidone stated that he would be reviewing the charts and schedules that provide that information. He began with page 3 of the Financial Plan that shows the Summary of Operations which details the Resources, Uses, and Net Balance for Fiscal Years 1985 through 2020 as well as the unaudited estimated results for Fiscal Year 2021. For Fiscal Years 1985-2020, the results of operations resulted in a negative net balance of \$3.8 billion. The estimated results for Fiscal Year 2021 is a Net Balance of negative \$622 million. The actual and estimated results of operations is projected at an aggregate net balance of negative \$4.4 billion at the end of fiscal year 2021. Mr. Daidone noted that this net balance reflects the fact that the NJTTFA only issues bonds or notes to meet projected annual cash flow obligations, not the full value of capital program appropriations.

Mr. Daidone proceeded to discuss the schedule of the estimated Fiscal Year 2022 New Jersey Capital Program. He explained the \$2 billion program allocates \$810 million to the DOT; \$760 million to NJ Transit; and, \$430 million to Local Aid. Mr. Daidone went on to discuss the Appropriation Table found on page 5 of the Financial Plan. The table provides information on last year's appropriation and the estimated current year's appropriation based on the Governor's Budget Message issued earlier this year. The total appropriation is up slightly, about \$92 million, from the prior year.

Mr. Daidone moved on to discuss the Statement of Anticipated Changes in Cash Position which provides estimated changes in cash position for Fiscal Year 2022 based on estimated receipts and disbursements. The projected ending cash balance at the end of Fiscal Year 2022 is \$864 million.

Mr. Daidone moved on to the Statutory Debt Limit chart noting that the remaining unused bonding credit at the end of Fiscal Year 2022 is estimated to be \$7.4 billion. Mr. Daidone ended his discussion by reviewing page 9 of the Financial Plan that provides the chart for Fiscal Year 2022 NJTTFA anticipated operating expenses, which were shown at a modest \$110,000.

Mr. Daidone asked if there were any questions. There were none.

Chairperson Diane Gutierrez-Scaccetti requested a motion to approve the resolution accepting the Authority's Fiscal Year 2022 Financial Plan and authorizing its submission to the Commissioner of the Department of Transportation for submission to the Governor, the Senate, the General Assembly, and the Transportation Policy Review Board. Gregory Lavee moved to adopt the following Resolution:

**RESOLUTION OF THE NEW JERSEY TRANSPORTATION TRUST FUND
AUTHORITY APPROVING THE FISCAL YEAR 2022 FINANCIAL PLAN AND
AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2022 FINANCIAL
PLAN TO THE COMMISSIONER OF THE DEPARTMENT OF
TRANSPORTATION FOR SUBMISSION TO THE GOVERNOR, THE SENATE,
THE GENERAL ASSEMBLY, AND THE TRANSPORTATION POLICY REVIEW
BOARD**

***WHEREAS**, by virtue of the provisions of Chapter 73 of the Laws of New Jersey of 1984, as amended (the "Act"), N.J.S.A. 27:1B-1 et seq., the New Jersey Transportation Trust Fund Authority (the "Authority") is authorized to issue its bonds, notes, and other obligations (collectively, the "Obligations") from time to time and to sell such Obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and*

***WHEREAS**, pursuant to the Act, the Commissioner of the Department of Transportation is required to submit a report to the Governor, the Senate, the General Assembly, and the Transportation Policy Review Board, which report shall contain, among other things, a description of the projects to be financed in the ensuing fiscal year and a financial plan designed to implement the financing of the proposed projects; and*

***WHEREAS**, on May 20, 2021, the Authority discussed the proposed financing plan for transportation projects for Fiscal Year 2022, attached hereto as Exhibit A (the "Fiscal Year 2022 Financial Plan"); and*

***WHEREAS**, the Authority has determined that it is desirable and in the best interest of the Authority to adopt the Fiscal Year 2022 Financial Plan.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. *The Authority hereby approves the Fiscal Year 2022 Financial Plan.*
2. *The Authority hereby authorizes the Executive Director to forward on behalf of the Authority a copy of this Resolution, including Exhibit A, which contains the Fiscal Year 2022 Financial Plan, to the Commissioner of the Department of Transportation for submission to the Governor, the Senate, the General Assembly, and the Transportation Policy Review Board.*
3. *This Resolution shall take effect upon adoption in accordance with the Act.*

The motion was seconded by John Duthie, and adopted on a call of roll as follows:

AYE: 6

NAY: 0

ABSTAIN: 0

ABSENT: 0

Chairperson Gutierrez-Scaccetti stated that she requested for New Jersey Department of Transportation (“NJDOT”) Assistant Commissioner Snehal Patel to provide an update on the Fiscal Year 21 Capital Program as it is important for NJTTFA Board members to be aware of and understand the status of the program. She also noted that one of the items being worked on for the future is to develop a set of measures or performance indicators to track the progress of capital program delivery.

Assistant Commissioner Snehal Patel provided a presentation detailing the status of awards for construction contracts and consultant services in Fiscal Year 2021. He began by explaining that NJDOT was allocated \$2.9 billion of the \$4.3 billion Fiscal Year 2021 Transportation Capital Program which is further allocated as \$1.09 billion Federal and \$1.84 billion NJTTFA. He stated the Fiscal Year 2021 goal for construction contracts was 127 awards valued at \$1.3 billion. The status as of May 14, 2021 was 87 contracts awarded valued at \$750 million. An additional 34 construction contracts valued at approximately \$550 million are anticipated to be awarded by the end of the fiscal year. He provided breakdowns of these figures by the different areas of NJDOT (Capital Program Management; Transportation Operations & Support Services; and Planning, Multimodal & Grants Administration) as well as the different types of projects (Bridge; Pavement; Other). He highlighted several upcoming awards and their estimated value.

Assistant Commissioner Snehal Patel moved on to discuss contracts awarded for consultant services. The Fiscal Year 2021 goal for consultant services was 160+ awards valued at \$308 million. The status as of May 12, 2021 was 94 awards valued at \$243 million. An additional

49 contracts for consultant services valued at approximately \$75 million are anticipated to be awarded by the end of the fiscal year. He provided breakdowns by the different areas of NJDOT.

Upon conclusion of Assistant Commissioner Snehal Patel's presentation, it was requested for the PowerPoint presentation to be shared with the board members.

There being no further business or discussion, Chairperson Diane Gutierrez-Scaccetti asked for a motion to adjourn the meeting. Robert A. Briant, Jr. moved that the May 20, 2021 meeting of the Authority be adjourned. The motion was seconded by Gregory Laveve, and adopted on a call of roll as follows:

AYE: 6

NAY: 0

ABSTAIN: 0

ABSENT: 0

The May 20, 2021 meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 11:25 AM.

Respectfully Submitted,

Naileen Rodriguez

Naileen Rodriguez
Secretary of the Authority



NJ Transportation Trust Fund Authority

New Jersey Transportation Trust Fund Authority Fiscal Year 2022 Financial Plan

Plan for Financing Anticipated NJDOT/NJ TRANSIT Capital Program Outlays for Fiscal Year 2022 As of May 2021

Philip D. Murphy, Governor
Sheila Y. Oliver, Lt. Governor

Diane Gutierrez-Scaccetti, Commissioner
Lewis Daidone, Executive Director

Fiscal Year 2022 Financial Plan

I. Introduction

New Jersey Transportation Trust Fund Authority's 2022 Financial Plan

The New Jersey Transportation Trust Fund Authority ("TTFA", or "Authority") finances the State portion of the capital programs of the New Jersey Department of Transportation ("NJDOT") and New Jersey Transit Corporation ("NJ Transit") as well as the State's Local Aid transportation program. The New Jersey Transportation Trust Fund Authority Act, as amended, N.J.S.A. 27:1B-1 et seq. (the "TTFA Act"), requires the TTFA to adopt a Financial Plan which must meet the following requirements:

"The financial plan shall contain an enumeration of the bonds, notes or other obligations of the authority which the authority intends to issue, including the amounts thereof and the conditions therefor. The financial plan shall set forth a complete operating and financial statement covering the authority's proposed operations during the ensuing fiscal year, including amounts of income from all sources, including but not limited to the proceeds of bonds, notes or other obligations to be issued, as well as interest earned. In addition, the plan shall contain proposed amounts to be appropriated and expended, as well as amounts for which the department anticipates to obligate during the ensuing fiscal year for any future expenditures." [N.J.S.A. 27:1B-22d]

In October 2016, the TTFA Act was amended by the State Legislature to provide for an 8-year, \$16.0 billion program (sometimes, referred to as the "Reauthorization"), funded by a combination of current revenues (also referred to as Pay-As-You-Go or "PAYGO") and \$12 billion in bonding authorization, both of which were supported by the Motor Fuels Tax (MFT) and the Petroleum Products Gross Receipts Tax (PPGRT). 2016 legislative amendments to N.J.S.A 54:15B-1 et seq. enacted in L. 2016, c. 57 ("Chapter 57") increased the PPGRT in November 2016. The PPGRT was increased in October 2018 by 4.3 cents and then again in October 2020 by 9.3 cents. These periodic increases reflect a provision of Chapter 57 allowing the State to adjust the rate contingent upon revenues meeting the Highway Fuel Cap revenue target for the fiscal year. The increase in bond authorization under the TTFA Act went into effect when the constitutional amendment was approved by the voters in the November 2016 general election. The constitutional amendment constitutionally dedicated amounts equivalent to all MFT revenues and all PPGRT revenues collected for transportation purposes.

The TTFA funds its programs through annual State appropriations of revenues received from the Motor Fuels Tax (MFT), Petroleum Products Gross Receipts Tax (PPGRT), Sales and Use Tax, toll road contributions, investment earnings, and the incurrence of debt. The Fiscal Year 2021 Appropriations Act reflected an annual Statewide Transportation Capital Program of \$2.6 billion. The Fiscal Year 2022 Governor's Budget Message recommends a Statewide Transportation Capital Program of \$2 billion.

To fund Fiscal Year 2021 capital projects the TTFA issued \$1.5 billion in 2020 Series AA Transportation Program Bonds ("Program Bonds"). Other resources included the remaining proceeds from the Fiscal Year 2019 Series BB Program Bonds and \$578.5 million from an off-budget resource, the Subaccount for Capital Reserves (SACR), comprised of PAYGO funding of \$286.3 million and \$292.2 million for project costs eligible for federal reimbursement, respectively.

To fund Fiscal Year 2022 capital projects the TTFA plans to issue \$1.0 billion in Program Bonds.

Fiscal Year 2022 Financial Plan

Other resources include the remaining proceeds of the 2020 Series AA Program Bonds and an estimated \$805.6 million from the SACR, comprised of PAYGO funding of \$513.4 million and \$292.2 million for project costs eligible for federal reimbursement. The reduction in Fiscal Year 2021 PAYGO funding was due to the impact the COVID-19 pandemic had on PPGRT revenues. Conversely, the significant increase in estimated PAYGO funding for Fiscal Year 2022 is due to better than anticipated State tax collections, including MFT and PPGRT revenues.

II. Prior Years' Results

The following table summarizes the results of the TTFA's operations for Fiscal Years 1985 through 2020 as well as the unaudited estimated results of operations for Fiscal Year 2021:

Summary of Operations			
(\$ in Thousands)			
<u>DESCRIPTION</u>	1985-2020	2021	1985 Thru 2021
	<u>Actual</u>	<u>Estimated</u>	<u>Actual & Estimated</u>
Authority Resources:			
Revenue Appropriations	\$24,028,464	\$ 1,464,795	\$ 25,493,259
PAYGO NJ Turnpike	66,000	-	66,000
Sub-Acct Cap Res-PAYGO	1,302,752	286,327	1,589,079
Sub-Acct Cap Res-Fed Project Cost	673,720	292,200	965,920
Prior Year Carryforward	83,722	-	83,722
Build America Bonds Interest Subsidy	364,694	21,800	386,494
Interest Earnings	578,907	1,000	579,907
Net Bond Proceeds *	26,115,169	1,668,505	27,783,674
Capitalized Interest Fund **	<u>245,761</u>	<u> </u>	<u>245,761</u>
Total Authority Sources	<u>\$ 53,459,189</u>	<u>\$ 3,734,627</u>	<u>\$ 57,193,816</u>
Authority Uses:			
Program Appropriations	\$ 37,863,100	\$ 2,600,000	\$ 40,463,100
Debt Service (TTF) ***	19,392,573	1,756,995	21,149,568
Authority Expenses	<u>26,521</u>	<u>110</u>	<u>26,631</u>
Total Authority Uses	<u>\$ 57,282,194</u>	<u>\$ 4,357,105</u>	<u>\$ 61,639,299</u>
Net Balance	<u>\$ (3,823,005)</u>	<u>\$ (622,478)</u>	<u>\$ (4,445,483)</u>
* Including Bond Premiums net of Cost of Issuance ** 2016A Federal Hwy Reimbursement Revenue Notes - Indirect GARVEE bonds *** State Contract Transportation System & Program Bonds, and Federal Indirect GARVEE			

The negative \$3.8 billion "Net Balance" for Fiscal Years 1985 through 2020 in the chart above recognizes that the TTFA only issues bonds or notes to meet cash flow obligations, not the full

Fiscal Year 2022 Financial Plan

value of capital program appropriations. The “Program Appropriations” amounts reflect the obligation authority that the State Legislature provided to NJDOT/NJ Transit for TTFA projects since Fiscal Year 1985. However, the cost of most transportation capital projects are paid out over several years. This is particularly true of large road and bridge construction projects. The TTFA only issues bonds for cash outlays that are anticipated in the current year. Therefore, the estimated net balance of negative \$4.4 billion reflects estimated and actual spending authority (i.e. inception to date) less total actual and estimated resources already provided or generated by the TTFA through June 30, 2021. The estimated increase in the negative “Net Balance” of \$622 million is primarily due to Fiscal Year 2021 capital program appropriations exceeding net new money bond proceeds and, due to the impact of Covid-19, lower than anticipated Pay As You Go resources.

III. New Jersey Transportation Capital Plan

The TTFA Act as amended in 2016 provides for \$16 billion in state programming authority from Fiscal Year 2017 through Fiscal Year 2024. The state capital program in Fiscal Year 2018 totaled \$2 billion, \$2.050 billion in Fiscal Year 2019 (including a supplemental appropriation of \$50 million to NJ Transit), \$2 billion in Fiscal Year 2020 and \$2.6 billion in Fiscal Year 2021. The Fiscal Year 2022 Governor’s Budget Message (“GBM”) recommends a \$2 billion program.

Cash required to support the New Jersey Transportation Capital Plan (the “Capital Plan”) is provided by the sale of bonds and Pay-As-You-Go funding. Program Bonds are issued as “state contract” debt backed by a contract between the State Treasurer and the TTFA. The TTFA Act as amended in 2016 provides for \$12 billion in total bonding authorization to finance transportation projects beginning in Fiscal Year 2017 through Fiscal Year 2024.

As noted in the chart below, the Fiscal Year 2022 Transportation Capital Plan splits the \$2 billion program between DOT (\$810.0m), NJ Transit (\$760.0m), and Local Aid (\$430.0m).

NEW JERSEY CAPITAL TRANSPORTATION PLAN	
(\$ in Millions)	
TTF Spending Authority:	<u>FY 2022</u>
TTFA	\$ 2,000.0
Port Authority Projects	-
Total	<u>\$ 2,000.0</u>
Programmatic Distribution:	
DOT	\$ 810.0
NJ Transit	\$ 760.0
Local Aid	<u>\$ 430.0</u>
Total	\$ <u>\$ 2,000.0</u>

As summarized in the chart below, the Fiscal Year 2022 GBM recommends an appropriation to the TTFA of \$1,577.2 million, which represents an increase of \$91.8 million (6.2%) from the

Fiscal Year 2022 Financial Plan

amount appropriated in the Fiscal Year 2021 Appropriations Act, which was \$1,485.4 million. An additional \$10.2 million was appropriated in the Fiscal Year 2021 Appropriations Act in connection with the NJ Transit Portal Bridge project.

FY 22 TTF APPROPRIATION			
(\$ in Millions)			
	FY 2021	FY 2022	
	Original	GBM	Change
Motor Fuels Tax	\$ 399.5	\$ 458.5	\$59.0
Petroleum Gross Receipts Tax	873.9	906.7	32.8
Sales & Use Tax	200.0	200.0	-
Toll Road Authorities	12.0	12.0	-
TOTAL TTF APPROPRIATION	\$1,485.4	\$1,577.2	\$ 91.8

IV. Debt Issuances

A. Debt Issuances - Fiscal Year 2022 Capital Program

The TTFA Act as amended in 2016 provides for the issuance of a total of \$12 billion in Program Bonds between Fiscal Year 2017 and Fiscal Year 2024. In Fiscal Year 2017 the TTFA issued \$3.24 billion in 2016 Series A & B Federal Highway Reimbursement Revenue Notes/Federal Indirect GARVEES (the "Notes") enough to cover project costs for Fiscal Years 2017 and 2018, and part of Fiscal Year 2019. During Fiscal Year 2019 the Authority issued \$750 million in new money Program Bonds; it also refinanced \$1.3 billion of 2016 Sub-Series A-2 Federal Highway Reimbursement Revenue Notes and \$1.6 billion in Transportation System Bonds ("System Bonds") (comprised of \$900 million in 2007 Series A System Bonds and \$700 million in 2008 Series B System Bonds), which resulted in nearly \$300 million in net present value savings. During Fiscal Year 2020 the Authority issued \$1 billion in new money 2019 Series BB Program Bonds, converted \$150 million in 2014 Series BB-1 variable rate notes to fixed rate and remarketed them, and refinanced another \$1.6 billion in System Bonds (Build America Bonds 2009 Series B and 2010 Series C, in the amounts of \$274 million and \$425 million respectively, and 2011 Series A and 2011 Series B bonds in the amounts of \$358 million and \$536 million, respectively), which resulted in nearly \$157 million in net present value savings. In Fiscal Year 2021 the Authority issued \$1.5 billion in new money 2020 Series AA Program Bonds.

The TTFA estimates that it will issue \$1.0 billion in new money Program Bonds, which are state contract-backed debt, in Fiscal Year 2022.

Fiscal Year 2022 Financial Plan

The chart below summarizes the TTFA's projected Fiscal Year 2022 cash flows:

FY 2022 STATEMENT OF ANTICIPATED CHANGES IN CASH POSITION		
<u>Description</u>	<u>Sub-Total</u>	Total
<i>Estimated July 1, 2021 Cash Balance</i>		<u><i>\$1,192,000,000</i></u>
Receipts:		
State Appropriations:		
Motor Fuels Tax	458,500,000	
Petroleum Products Tax	906,690,000	
Sales and Use Tax	200,000,000	
Toll Road Authorities Contributions	<u>12,000,000</u>	
Net Total		1,577,190,000
Sub-Acct Capital Reserve Pay-As-You-Go	513,389,000	
Sub-Acct Capital Reserve Federal Project Costs	292,221,000	.
Interest Income	2,000,000	
Bond Proceeds	1,000,000,000	
Build America Bonds Interest Subsidy	<u>21,800,000</u>	<u>1,829,410,000</u>
Total Receipts		<u>\$3,406,600,000</u>
Disbursements:		
State Transportation Project Costs		1,864,610,000
Debt Service		1,869,411,000
Authority Operating Expenses		<u>110,000</u>
Total Disbursements		\$3,734,131,000
Estimated July 1, 2022 Cash Balance		\$864,469,000

B. Constitutional Dedication

Pursuant to Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution, certain revenues are dedicated to the purposes of paying or financing the cost of planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in the State. The relevant text is copied below, reflecting the most recent constitutional amendment accepted by the voters in November 2016.

Fiscal Year 2022 Financial Plan

There shall be credited to a special account in the General Fund:

(a) for each State fiscal year commencing on and after July 1, 2007 through the State fiscal year commencing on July 1, 2015 an amount equivalent to the revenue derived from \$0.105 per gallon from the tax imposed on the sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised Statutes, and for each State fiscal year thereafter, an amount equivalent to all revenue derived from the collection of the tax imposed on the sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised Statutes or any other subsequent law of similar effect;

(b) for the State fiscal year 2001 an amount not less than \$100,000,000 derived from the State revenues collected from the tax on the gross receipts of the sale of petroleum products imposed pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) as amended and supplemented, or any other subsequent law of similar effect, for each State fiscal year from State fiscal year 2002 through State fiscal year 2016 an amount not less than \$200,000,000 derived from those revenues, and for each State fiscal year thereafter, an amount equivalent to all revenue derived from the collection of the tax on the gross receipts of the sale of petroleum products imposed pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) as amended and supplemented, or any other subsequent law of similar effect; and

(c) for the State fiscal year 2002 an amount not less than \$80,000,000 from the State revenue collected from the State tax imposed under the "Sales and Use Tax Act," pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.), as amended and supplemented, or any other subsequent law of similar effect, for the State fiscal year 2003 an amount not less than \$140,000,000 from those revenues, and for each State fiscal year thereafter an amount not less than \$200,000,000 from those revenues; provided, however, the dedication and use of such revenues as provided in this paragraph shall be subject and subordinate to (a) all appropriations of revenues from such taxes made by laws enacted on or before December 7, 2006 in accordance with Article VIII, Section II, paragraph 3 of the State Constitution in order to provide the ways and means to pay the principal and interest on bonds of the State presently outstanding or authorized to be issued under such laws or (b) any other use of those revenues enacted into law on or before December 7, 2006. These amounts shall be appropriated from time to time by the Legislature, only for the purposes of paying or financing the cost of planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in this State and it shall not be competent for the Legislature to borrow, appropriate or use these amounts or any part thereof for any other purpose, under any pretense whatever.

Article VIII, Section II, paragraph 4 added effective December 6, 1984; amended effective December 7, 2000; amended effective December 7, 2006; amended effective December 8, 2016

C. Credit Ratings

TTFA Transportation System Bonds and Transportation Program Bonds are currently rated BBB by Standard & Poor's, BBB+ by Fitch Ratings, Baa1 by Moody's, and A- by Kroll respectively. The TTFA Federal Highway Reimbursement Revenue Notes, 2016 Series A are currently rated BBB+ by Fitch Investors Service, Baa1 by Moody's Investors Service, and A+ by Standard & Poor's Corporation. The TTFA Federal Highway Reimbursement Revenue Notes, 2016 Series B are not rated by the rating agencies.

Fiscal Year 2022 Financial Plan

D. Fiscal Year 2022 Statutory Debt Limit

The estimated Fiscal Year 2022 issuance of \$1.0 billion in Program Bonds (state contract-backed debt) is in compliance with the TTFA Act, which authorizes bond issuances totaling \$12 billion through the end of the current reauthorization period in Fiscal Year 2024. After the planned Fiscal Year 2022 issuance, the Authority's projected unused statutory debt limit will equal an estimated \$7.45 billion. It should be noted that in addition to the principal amount of a Program Bond issuance, any premium generated from the bond issuance counts against the unused bonding capacity.

The Fiscal Year 2019 issuance of Program Bonds included \$37.2 million in premium, the Fiscal Year 2020 issuance included \$90.0 million in premium, and the Fiscal Year 2021 issuance included \$174.1 million in premium.

Currently, there is no remaining unused statutory debt cap under the TTFA Act for Transportation System Bonds (except a nominal amount representing the amount thereof in excess of nearest integral multiple of \$5,000). Accordingly, under the TTFA Act, no new money System Bonds can be issued (only System Refunding Bonds can be issued). As such, the table below provides a statutory debt limit calculation solely for new money bonds authorized under the TTFA Act, as amended in 2016.

TRANSPORTATION TRUST FUND AUTHORITY		
STATUTORY DEBT LIMIT		
Fiscal Year Bonding Credits:		
FY 2017-2024		\$12,000,000,000
Less:		
<u>FY 2019:</u>		
2019 Series AA Par Amount	750,000,000	
2019 Series AA Bond Premium	37,256,131	
<u>FY 2020:</u>		
2019 Series BB Par Amount	1,000,000,000	
2019 Series BB Bond Premium	90,015,772	
<u>FY 2021:</u>		
2020 Series AA Par Amount	1,500,000,000	
2020 Series AA Bond Premium	174,125,833	
Total Authorized and Used		3,551,397,736
Total FY 2021 Current Authorized but Unused Bonding Credit		\$8,448,602,264
Less FY 2022 Estimated Issuance	1,000,000,000	

Fiscal Year 2022
Financial Plan

FY 2022 Estimated Authorized but Unused Bonding Credit	\$ 7,448,602,264
---	-------------------------

E. Official Intent for Federal Income Tax Purposes

For the purpose of permitting the proceeds of TTFA bonds to be used to reimburse expenditures paid after the date that this Financial Plan is adopted by the Authority (or within 60 days prior to such date), in accordance with the applicable regulations of the U.S. Treasury Department, this Financial Plan, upon its adoption by the TTFA in accordance with law, shall constitute a declaration of the intent of the TTFA to issue obligations, as more fully described in Section IV(A) above, in the estimated principal amount of \$1.0 billion, to pay or reimburse expenditures made prior to the date of issuance of such bonds for the costs of the capital program of NJDOT and NJ Transit for Fiscal Year 2022 and prior fiscal years.

V. Fiscal Year 2022 Operating Budget

The TTFA estimates the following operating expenses will be required during Fiscal Year 2022. The operating budget, which does not include costs of issuance relating to bond issuances or the monthly interest obligations on debt service, is funded from the legislative appropriations to the Authority:

FY 2022 ANTICIPATED OPERATING EXPENSES	
<u>Description</u>	<u>Estimate</u>
Legal Notices	\$ 5,000
Professional Services	45,000
Trustee Service Fees	35,000
Contingency	25,000
Total	\$ 110,000