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# *Commission Meeting*

of

## NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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**LOCATION:** Meeting via Teams

**DATE:** February 23, 2024  
1:30 p.m.

**MEMBERS OF COMMITTEE PRESENT:**

Liz Mahn, Vice Chair  
Senator Paul A. Sarlo  
Senator Douglas J. Steinhardt  
Assemblyman William W. Spearman  
Assemblywoman Nancy F. Muñoz  
Lisa Almeida  
Aaron Binder  
Leila Collins  
David Drescher



**ALSO PRESENT:**

James Langsdorf  
*Executive Director*

Brian Onda  
*Assistant Executive Director*

Richard Oliva  
Michael Sullivan  
Bartosz D. Zajac  
*Budget Specialists*

Christine Trappe  
*Executive Assistant*

*Meeting Recorded and Transcribed by*  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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## State of New Jersey

COMMISSION ON CAPITAL BUDGETING AND PLANNING  
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*Executive Director*

### Commission Meeting

In compliance with the Open Public Meeting Act, P.L. 1975, Chapter 231, please be advised that the next meeting of the New Jersey Commission on Capital Budgeting and Planning is scheduled for:

**February 23, 2024**

Friday at 1:30 p.m.

Teams Meeting ID: 224 396 575 432

Passcode: FW8AHa

Call in Number: 856-338-7074

Phone Conference ID: 318 878 295#

### Agenda

1. Call to Order
2. Open Public Meeting Act Notice
3. Roll Call
4. Approval of the Minutes of December 11, 2023 (**Action**)
5. Fiscal 2025 Capital Recommendations (**Action**)
  - Department of Agriculture
  - Department of Children and Families
  - Department of Corrections
  - Department of Education
  - Department of Environmental Protection
  - Palisades Interstate Park Commission
  - Department of Health
  - Department of Human Services
  - Department of Law and Public Safety
  - Juvenile Justice Commission
  - Department of Military and Veterans Affairs
  - Department of Transportation
  - Office of Information Technology
  - Interdepartmental Accounts
  - State Capitol Joint Management Commission
6. Other Business (**Action may be taken**)
7. Adjournment

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LIZ MAHN (Vice Chair): All right, I guess I can call the meeting to order.

All right, and then I will read the Open Public Meetings Act notice.

In accordance with the Open Public Meetings Act, the Commission has provided adequate notice of this meeting and given written notice of the time, date, and location. Notice of the meeting was filed at least 48 hours in advance by email or by fax to *The Trenton Times*, the *Newark Star-Ledger*, and filed with the Secretary of State.

MR. LANGSDORF: Thank you, Vice Chair.

I would just like, first, to announce that Assemblyman Wirths has retired and has been replaced by new Commission member Assemblywoman Nancy Muñoz. Welcome, Assemblywoman, and thank you for your service.

ASSEMBLYWOMAN MUÑOZ: Thank you.

MR. LANGSDORF: At this time, we will just check everybody in -- roll call.

Senator Sarlo.

SENATOR SARLO: Present.

MR. LANGSDORF: Senator Steinhardt.

SENATOR STEINHARDT: Here.

MR. LANGSDORF: Assemblyman Spearman.

ASSEMBLYMAN SPEARMAN: Here.

MR. LANGSDORF: Assemblywoman Muñoz -- I'm sorry--

ASSEMBLYWOMAN MUÑOZ: It's moon-yose, like the moon -- think of the moon.

MR. LANGSDORF: Muñoz, thank you.

Thank you very much, and I'm sorry I made a mess of that.

ASSEMBLYWOMAN MUÑOZ: That's OK; it's been happening for 15 years.

MR. LANGSDORF: (laughter)

Thank you, thank you for your understanding.

Mr. Aaron Binder.

MR. BINDER: Here.

MR. LANGSDORF: Mr. David Drescher.

MR. DRESCHER: Present.

MR. LANGSDORF: Ms. Lisa Almeida.

MS. ALMEIDA: Present.

MR. LANGSDORF: Ms. Leila Collins.

MS. COLLINS: Present.

MR. LANGSDORF: Mr. Patrick Brennan. (no response)

Mr. James Rutala. (no response)

Ms. Liz Mahn.

MS. MAHN: Here.

MR. LANGSDORF: Chairwoman, we have a quorum.

MS. MAHN: Thank you.

All right, so, we will move on to the approval of the minutes for December 11, 2023.

Can we have a motion?

SENATOR STEINHARDT: So moved.

MS. MAHN: Motion by Senator Steinhardt.

SENATOR SARLO: Second.

MS. MAHN: Thank you.

Can we do roll call?

MR. LANGSDORF: Sure; thank you.

Senator Sarlo.

SENATOR SARLO: Yes.

MR. LANGSDORF: Senator Steinhardt.

SENATOR STEINHARDT: Yes.

MR. LANGSDORF: Assemblyman Spearman.

ASSEMBLYMAN SPEARMAN: Yes.

MR. LANGSDORF: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: I wasn't here for that, so I don't -- I can say yes, but I didn't -- I wasn't participating in the Commission, so.

MR. LANGSDORF: OK--

ASSEMBLYWOMAN MUÑOZ: Abstain.

MR. ONDA: You may abstain here.

MR. LANGSDORF: Mr. Aaron Binder.

MR. BINDER: Yes.

MR. LANGSDORF: Mr. David Drescher.

MR. DRESCHER: Yes.

MR. LANGSDORF: Ms. Lisa Almeida.

MS. ALMEIDA: Yes.

MR. LANGSDORF: Ms. Leila Collins.

MS. COLLINS: Yes.

MR. LANGSDORF: Mr. Patrick Brennan. (no response)

Mr. James Rutala. (no response)

Ms. Liz Mahn.

MS. MAHN: Yes.

MR. LANGSDORF: Chairwoman, the motion moves.

MS. MAHN: Thank you.

All right, so now we'll move on to the capital recommendations provided. So, I'll just go through the departments and what they recommended for FY25.

So, for the Department of Agriculture, it is recommended that they receive \$2,900,000. For Department of Children and Families, they are recommended to receive zero. For the Department of Corrections, they are recommended to receive \$23,056,000. For the Department of Education, they are recommended to receive nothing. For the Department of Environmental Protection, they are recommended to receive \$172,485,000. For the Palisades Interstate Park Commission, they are recommended to receive zero. For the Department of Health, they are recommended to receive \$1,497,000. For the Department of Human Services, they are recommended to receive \$3,880,000.

For the Department of Law and Public Safety, they are recommended to receive nothing. For the Juvenile Justice Commission, they are recommended to receive \$818,000. For Military and Veterans Affairs, they are recommended to receive \$2,860,000. For the Department of Transportation, they are recommended to receive \$1,658,219,000. For the Office of Information Technology, they are recommended to receive zero. For Interdepartmental accounts, those are recommended to receive \$146,739,000. And, the State Capitol Joint Management Commission is recommended to receive nothing.

Do we have any comments? I guess that would be next.

SENATOR STEINHARDT: Yes, Senator Steinhardt. Please.

MS. MAHN: Of course; go ahead.

SENATOR STEINHARDT: Look, thanks.

First, I just want to say I respect the work that went into the department requests for capital funding, and that we reviewed over the past several months. And, I respect Treasury's hard work in reviewing those requests and summarizing them for all of us today.

Like everyone on the Commission -- except maybe some of the Executive Branch members who worked on the recommendations -- I only received it the other day, and have not had a chance to review it carefully.

I did see that the recommendation plan doesn't fund relatively small projects like veterans' homes, Human Services facilities, and other institutional settings, though. I will save a lot of those comments about that for our budget hearings in April and May. Nonetheless, assuming we're going to take a vote on these recommendations, either to endorse or deny them.

It's difficult to endorse a proposed capital spending plan that completely punts making any recommendations at all about how we should re-authorize our transportation funding system, the TTF. It's a critical (indiscernible) capital funding program, and we hear nothing about it. As we discussed in previous meetings, the State's authority to authorize new transportation projects and fund them expires in about three months at the end of June. Our transportation projects and how we fund them are the most important capital issues facing the State, in my humble opinion. There have been rumors that the administration is quietly pitching various tax increases

to re-authorize the program, and sharing critical financial information about the TTF with only a handful of people -- I'm not one of them.

If this Commission votes on a capital plan today, we will be saying it's OK for the Executive Branch to not even share a proposal for TTF re-authorization. We will be saying it's OK not to share any of the underlying information about how much of existing TTF tax revenues are spoken for, or how much more additional revenues might be needed. And, we will be saying it's OK to not be consulted on how much more debt should be issued the funds -- the TTF.

My colleagues and I have pointed out that \$1.5 billion that is unallocated in debt defeasance and avoidance funds could help re-authorize the TFF with a pay-as-you-go approach. That approach would reduce debt-service payments on 30-year high-interest-rate bonds by three times the reduction achieved by diffusing shorter-term maturity, lower-interest-rate State bonds. Non-partisan OLS has said this, not just me. The Administration's proposal should be discussed by this Commission, and what my colleagues and I are proposing to be part of the TTF re-authorization should be discussed as well.

I think the proposed capital plan ignores the elephant in the room, and I would like this new action taken on it shortly.

MS. MAHN: Thank you, Senator.

Any other comments or questions?

SENATOR SARLO: I have a question -- not about the Treasury.

The billion dollar transportation monies is for the balance of this current fiscal year, right? That's for projects that are already out there on the

streets throughout the state -- that funds the projects for the balance of the current fiscal year, is that correct?

MR. ONDA: So, what that is, is it's a recommendation to fund the debt service on previously obligated bonds and any estimated bonds.

But, that doesn't technically fund any capital projects. It's funding the debt service on those projects.

SENATOR SARLO: Debt service on those projects -- OK.

MR. ONDA: Right. (indiscernible)

In the budget, we include the debt-service appropriations. So, that's what this is doing.

SENATOR SARLO: Funding -- gotcha.

Two other questions, then I'll make a comment.

The money for Department of Military and Veterans Affairs does not include any money for Menlo Park or Paramus veterans' homes, that's correct?

MR. ONDA: It does. It's actually going to install active threat alerts for all three of the veterans' homes -- Paramus, Menlo Park, and Vineland.

SENATOR SARLO: Active threat alerts?

MR. ONDA: It really means, like, safety precautions, to ensure that there's no, I guess, acts of terrorism or things like that against our veterans who are in those homes.

SENATOR SARLO: Got it, OK.

And, clearly, I'll have more to say during budget hearings, the (indiscernible) needs for infrastructure improvements in those facilities. So, we'll keep that for budget time.

I will just say this-- And, I respect the comments of my colleague and friend, Senator Steinhardt. Clearly, there is no secret that the transportation trust is about to expire at the end of June. And, we've been - - I've been -- outspoken, as I have been for the last 22 years, that one of the main jobs of our roles as Legislators is to fund education and our transportation system, to invest in the infrastructure to keep our economy moving.

So, the Transportation Trust Fund, I was hoping it was going to get done at the end of last Legislative Session. But, clearly, we cannot leave June 30 without having the Transportation Trust Fund renewed. There are a lot of options being presented by a lot of different advocacy groups, by the Administration. And, I, as the Chairman of the Budget Committee, I'm aware of some of them, but I'm not aware of them all. So, I don't want anybody to think I know all the secrets out there. There's a lot out there.

I am hoping that the Administration will be able to come to us in the near -- in the *immediate* future, not near -- immediate future -- with a plan that we can consider to renew the TTF by the end of the year. Otherwise, in order to keep that, we probably have to go out and continue to borrow for another year or two, and that's in nobody's interest.

So, I am going to support the recommendations here. I'll have a lot more to say during the budget hearings. And, clearly, there is a need for the TTF to be renewed before it expires at the end of this fiscal year.

Thank you.

MS. MAHN: Thank you.

Any other questions, comments?

SENATOR STEINHARDT: I appreciate the comments and the wisdom of the Budget Chair. That was a great job.

Thanks, Senator.

MS. MAHN: Great. If there's nothing else, then can we have a motion to move the recommendations?

ASSEMBLYMAN SPEARMAN: So moved.

MS. MAHN: Thank you, Assemblyman Spearman.

Do I have a second?

MR. BINDER: Second.

MS. MAHN: Thank you.

Can we do a roll, please?

MR. LANGSDORF: Sure, for the vote?

MS. MAHN: For the vote.

MR. LANGSDORF: Yes, thank you.

Senator Sarlo.

SENATOR SARLO: Yes.

MR. LANGSDORF: Senator Steinhardt.

SENATOR STEINHARDT: Respectfully abstain because of the absence of those other critical -- that other critical piece.

MR. LANGSDORF: Understood.

Assemblyman Spearman.

ASSEMBLYMAN SPEARMAN: Yes.

MR. LANGSDORF: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Abstain as well for the same reasons as the Senator.

MR. LANGSDORF: Mr. Aaron Binder.

MR. BINDER: Yes.

MR. LANGSDORF: David Drescher.

MR. DRESCHER: Yes.

MR. LANGSDORF: Thank you.

Ms. Lisa Almeida.

MS. ALMEIDA: Yes.

MR. LANGSDORF: Ms. Leila Collins.

MS. COLLINS: Yes.

MR. LANGSDORF: Mr. Patrick Brennan. (no response)

Mr. James Rutala. (no response)

Ms. Liz Mahn.

MS. MAHN: Yes.

MR. LANGSDORF: Chairman, the motion moves.

MS. MAHN: Thank you.

So, next, we'll go onto if there's any other business.

SENATOR SARLO: I just want to say, I am glad to see that we in Treasury here and the Capital Commission has moved to a virtual setting where we can kind of see who is speaking. For many years, it was just over a conference call, it was very kshard to see who was speaking or not speaking. So, the platform definitely will be helpful to us as we continue to move forward.

Thank you.

MS. MAHN: Thank you.

So, if that's all the other business that we have, then do we need a motion for adjournment?

SENATOR STEINHARDT: Motion.

UNIDENTIFIED SPEAKER: Second.

SENATOR SARLO: Second.

MS. MAHN: Thank you.

Can we do a roll call then?

No, we don't need to do a roll call?

UNIDENTIFIED SPEAKER: Chairwoman, who is voting no?

(laughter)

MR. LANGSDORF: Our next meeting will be scheduled for the presentation of the debt report, and we will be reaching out to you.

Thank you, all.

**(MEETING CONCLUDED)**