

DEPARTMENT OF THE TREASURY

C-6 to C-7; C-14 to C-15; C-24; C-25;
 Budget Pages C-27; D-383 to D-435; E-6 to E-7; G-6
 to G-10

Fiscal Summary (\$000)

	Expended FY 2023	Adjusted Appropriation FY 2024	Recommended FY 2025	Percentage Change 2024-25
State Budgeted	\$5,759,340	\$5,990,633	\$5,760,884	(3.8%)
Federal Funds	192,705	53,409	50,775	(4.9%)
<u>All Other Funds</u>	<u>402,243</u>	<u>487,503</u>	<u>504,722</u>	<u>3.5%</u>
Grand Total	\$6,354,288	\$6,531,545	\$6,316,381	(3.3%)

Personnel Summary - Positions By Funding Source

	Actual FY 2023	Revised FY 2024	Funded FY 2025	Percentage Change 2024-25
State	3,415	3,584	3,780	5.5%
Federal	44	44	58	31.8%
<u>All Other</u>	<u>1,646</u>	<u>1,719</u>	<u>1,916</u>	<u>11.5%</u>
Total Positions	5,105	5,347	5,754	7.6%

FY 2023 (as of December) and revised FY 2024 (as of January) personnel data reflect actual payroll counts. FY 2025 data reflect the number of positions funded.

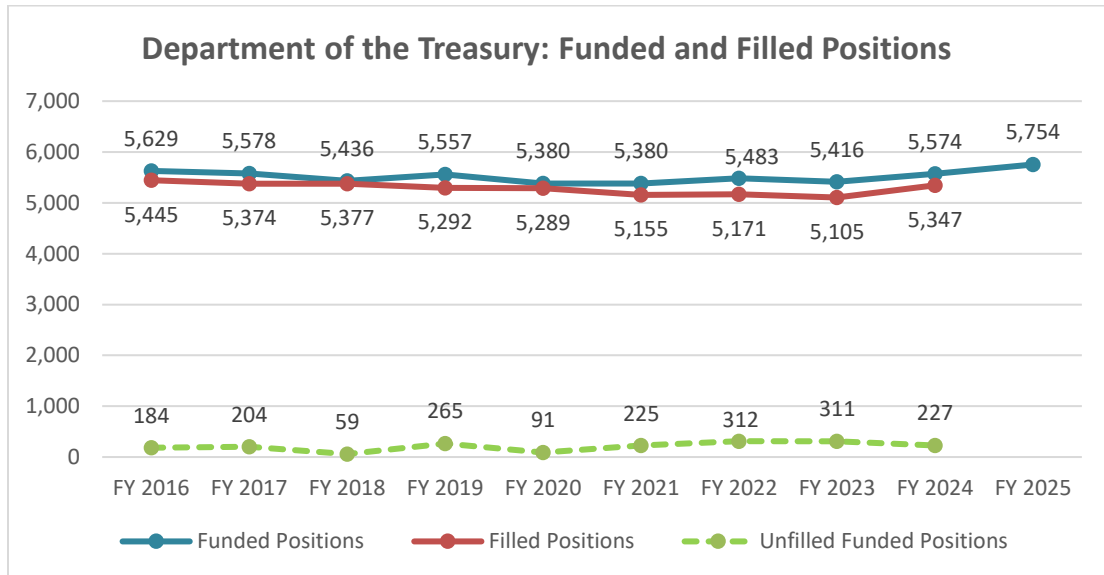
To be consistent with the data displayed in the FY 2025 Governor's Budget, the above table includes the funding data in the Department of the Treasury for Higher Educational Services. Other explanatory data for these programs are included in a separate booklet entitled: "Higher Educational Services."

Link to Website: <https://www.njleg.state.nj.us/budget-finance/governors-budget>

Highlights

Department of the Treasury

- The FY 2025 Governor’s Budget recommends a \$6.32 billion appropriation from all funding sources for the Department of the Treasury. This represents a decrease of \$215.2 million, or 3.3 percent, from the current year’s adjusted appropriation.
- The FY 2025 Governor’s Budget funds 5,754 positions in the department, which is 407, or 7.6 percent, more than the number of filled positions in January 2024.



Property Tax Relief

- The FY 2025 Governor’s Budget includes \$2.71 billion for direct property tax relief programs in the Department of the Treasury, which is a \$125.2 million, or 4.9 percent, increase from FY 2024. This category encompasses the Affordable New Jersey Communities for Homeowners and Renters, or ANCHOR, Property Tax Relief Program; the Stay NJ Property Tax Credit Program; the Senior and Disabled Citizens’ Property Tax Freeze; the Veterans’ Property Tax Deduction, and the Senior and Disabled Citizens’ Property Tax Deduction. Please see the background paper entitled “FY 2025 Direct Property Tax Relief Programs” on page 41 for more information regarding New Jersey’s property tax relief programs.
- For FY 2025, the Executive recommends \$2.28 billion for property tax rebates provided through the ANCHOR Property Tax Relief Program, or \$22.0 million more than in FY 2024. The second year of this program has been marked by a notable increase in program participants. Approximately 1.6 million homeowners and tenants received ANCHOR benefits in FY 2023. The Executive anticipates their number to grow to 1.9 million in FY 2024 and a little over 2.0 million in FY 2025.
- The Executive recommends \$188.1 million for the Senior and Disabled Citizens’ Property Tax Freeze, an increase of \$6.3 million, or 3.5 percent, from the FY 2024 adjusted appropriation of \$181.8 million. P.L.2023, c.75 increased the program’s income

Highlights (Cont'd)

eligibility limit to \$150,000 effective calendar year 2022, subject to annual inflationary increases, and reduced the homeownership requirement from 10 years to three years. According to the FY 2025 Budget in Brief, the Executive estimates that the implementation of these changes will allow about 58,000 additional households to qualify for a homestead property tax reimbursement.

- Municipalities are recommended to receive \$1.45 billion in Energy Tax Receipts Property Tax Relief Aid (ETR Aid) in FY 2025. In order to comply with the statutory funding mandate and prevent the activation of a poison pill provision affecting the collection of corporation business tax revenues, the Governor recommends increasing the direct State appropriation for ETR Aid by \$7.2 million, from \$798.4 million to \$805.6 million, and transferring an amount not to exceed \$649.3 million from the Consolidated Municipal Property Tax Relief Aid account in the Department of Community Affairs.
- The FY 2025 Governor's Budget recommends appropriating \$2.13 billion for State Aid to local government entities, a reduction of \$141.4 million from the FY 2024 funding level of \$2.27 billion. This decrease is largely attributable to the elimination of the Municipal Relief Fund, which the Legislature funded at \$150.0 million in the FY 2024 Appropriations Act. These totals do not include one-time appropriations provided to various local governmental entities for projects and improvements. Please see Table 1 on page 6 for more detail on State aid to local governmental entities in FY 2025.

Treasury Operations

- The Executive recommends renewing the \$25.0 million appropriation for electric vehicle infrastructure for electric vehicles owned by State government. Since FY 2023, the State has appropriated \$50.0 million for this purpose.
- The FY 2025 Governor's Budget eliminates \$4.1 million for State-funded initiatives to support the City of Trenton. Some \$3.9 million was provided to the Division of Property Management and Construction to support the New Jersey Capital Partnership, and \$200,000 was appropriated for the replacement of trees removed from the Capitol Complex during the renovation of the New Jersey State House.
- The FY 2025 Governor's Budget proposes increasing the appropriation for the Secure Choice Savings Program from \$2.0 million to \$3.5 million. Current law requires employers with 25 or more employees that have not offered a qualified retirement plan to their employees to participate in a retirement savings program administered through automatic payroll deductions. The program, which has been rebranded as "RetireReady NJ," will launch in 2024. Participants enrolled in the program will be permitted to invest in an Individual Retirement Account.

Office of Information Technology

- The FY 2025 Governor's Budget includes \$10.2 million for the final installment for the modernization of the New Jersey Comprehensive Financial System. The Department of the Treasury estimates this project to cost \$39.0 million from FY 2022 to FY 2025. Between FY 2022 and FY 2024, appropriations for the project totaled \$29.6 million.

Highlights (Cont'd)

- The Executive recommends \$21.8 million for the Statewide 9-1-1 Emergency Telecommunication System, representing an increase of \$8.0 million from FY 2024. The additional funding would support the ongoing transition of the State's existing 9-1-1 network, which delivers call routing and location services to local public safety answering points, to a network that maintains existing services and implements Next Generation 9-1-1 features not supported by the current network. The project is expected to be completed in June 2026.

Economic Development Authority

- The FY 2025 Governor's Budget proposes reducing appropriations for Economic Development Authority programs by \$185.1 million, or 47.5 percent, due to: (1) the elimination of funding initiatives added to the FY 2024 Appropriations Act by the Legislature; (2) the non-renewal of supplemental appropriations to support the film industry and for a new employee relocation program; and (3) lower recommended FY 2025 funding levels for other economic development programs.
- The Executive does not recommend additional funding for the Jersey City Redevelopment Agency for the Centre Pompidou x Jersey City, a planned modern art museum. The project has been supported by \$58.0 million of State and federal funds since FY 2022. According to the most recent projections, the Centre Pompidou x Jersey City is scheduled to open in July 2026.
- The FY 2025 Governor's Budget includes \$7.0 million for two new programs to support innovation in the field of artificial intelligence. Specifically, \$4.5 million is recommended to provide competitive grants, through the AI Innovation Challenge, for the use of artificial intelligence technologies for social and public good, and \$2.5 million is included to support artificial intelligence innovation through the New Jersey Innovation Fellows Program.
- The FY 2025 Governor's Budget includes \$19.0 million for Events Attraction and Marketing, an increase of \$9.0 million from FY 2024. According to the Economic Development Authority, the additional resources will support large-scale events and activities to highlight New Jersey as a premier destination for tourism and business.

Board of Public Utilities

- The FY 2025 Governor's Budget includes \$40.0 million for electric grid modernization initiatives, including a \$15.0 million appropriation from the General Fund to the Board of Public Utilities (BPU), and a \$25.0 million allocation from the dedicated, off-budget Clean Energy Fund. The \$25.0 million from the Clean Energy Fund would fund competitive grants to support the development of comprehensive and regional resilience strategies to strengthen New Jersey's power system infrastructure. The FY 2025 Budget in Brief further indicates that the funding will allow the State to satisfy the matching funds requirement of a federal grid modernization program.

Highlights (Cont'd)

- The Executive recommends a \$20.0 million appropriation from the General Fund for the Charge Up New Jersey Electric Vehicle Incentive Program to support additional point-of-sale rebates to consumers for the purchase of light-duty plug-in electric vehicles. This funding is expected to supplement the \$30.0 million that is annually provided for the program through the Clean Energy Fund. The Governor has also proposed a three-year phase out of the sales and use tax exemption for the purchase of zero emission vehicles. According to the FY 2025 Budget in Brief, this additional funding is intended to ensure that electric vehicles remain affordable to purchasers who would otherwise benefit from the sales and use tax exemption.
- The Executive proposes diverting \$116.8 million of Clean Energy Fund resources for State purposes in FY 2025:
 - 1) \$70.1 million for New Jersey Transit utility costs;
 - 2) \$25.0 million for competitive grants to support the development of grid modernization initiatives;
 - 3) \$15.0 million for the Electric School Bus Program;
 - 4) \$5.6 million to defray administrative expenses related to State-funded positions at the BPU’s Office of Clean Energy; and
 - 5) \$1.1 million for the purchase of biodegradable materials at State institutions.

Legal Services of New Jersey

- The FY 2025 Governor’s Budget includes \$32.0 million for Legal Services of New Jersey, a reduction of \$9.0 million from the FY 2024 funding level of \$41.0 million.

Debt Service

- The FY 2025 Governor’s Budget recommends a \$546.8 million appropriation for general obligation bond debt service payments in the Department of the Treasury. The proposed appropriation reflects a net \$3.6 million reduction in debt service payments on existing general obligation bonds. As of June 30, 2023, some \$4.6 billion in principal payments on general obligations remained outstanding, while \$368.2 million of authorized general obligation bonding authority had not yet been issued.

Background Paper:

FY 2025 Direct Property Tax Relief Programs p. 41

Highlights (Cont'd)

Table 1
State Aid to Local Governmental Entities
FY 2023 – FY 2025

STATE AID	Expended FY 2023	Adj. Approp. FY 2024	Recom. FY 2025
Energy Tax Receipts Property Tax Relief Aid*	\$1,385,133	\$1,447,700	\$1,454,921
Transitional Aid to Localities**	111,947	111,947	126,927
Local Recreational Improvement Grants**	24,967	25,000	20,000
Trenton Capital City Aid**	11,500	10,000	10,000
Open Space Payments in Lieu of Taxes**	6,483	7,983	7,983
Shared Services and School District Consolidation Study and Implementation Grants**	4,646	7,500	6,000
Regional School District Consolidation Feasibility Studies (P.L.2021, c.402)**	470	5,000	5,000
Municipal Relief Fund	75,000	150,000	0
Police and Firemen's Retirement System	311,046	315,454	325,097
Police and Firemen's Retirement System - Post Retirement Medical	51,634	54,732	57,275
Veterans' Property Tax Deductions	35,506	35,200	32,400
South Jersey Port Corporation Support	33,087	53,177	37,037
Debt Service – Pension Obligation Bonds	26,512	26,512	26,512
Senior and Disabled Citizens' Property Tax Deductions	6,666	6,500	6,200
Aid to Counties in Lieu of Insurance Premium Tax Payments	5,251	5,000	5,000
Highlands Protection Fund Aid	3,611	4,400	4,400
Public Library Project Fund	3,721	0	0
County Boards of Taxation	1,885	2,103	2,103
Periodic Cancer Screening Examinations (P.L.2022, c.109)	0	2,000	2,000
Marriage and Civil Union Licenses Fee Waiver (P.L.2022, c.23)	146	0	0
State Contribution to Consolidated Police and Firemen's Pension Fund	76	0	0
Total State Aid	\$2,099,287	\$2,270,208	\$2,128,855

*Energy Tax Receipts Property Tax Relief Aid includes amounts transferred to the Energy Tax Receipts Property Tax Relief Fund from the Consolidated Municipal Property Tax Relief Aid account.

**The above table includes funding data for local government State aid programs in the Department of Community Affairs.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2023	Adj. Approp. FY 2024	Recom. FY 2025	Percentage Change	
				2023-25	2024-25
General Fund					
Direct State Services	\$550,744	\$629,769	\$669,085	21.5%	6.2%
Grants-In-Aid	589,151	604,291	408,371	(30.7%)	(32.4%)
State Aid	34,952	56,579	40,397	15.6%	(28.6%)
Capital Construction	0	0	0	---	---
Debt Service	589,733	550,354	546,765	(7.3%)	(0.7%)
Sub-Total	\$1,764,580	\$1,840,993	\$1,664,618	(5.7%)	(9.6%)
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	---	---
Grants-In-Aid	1,998,889	2,539,672	2,667,972	33.5%	5.1%
State Aid	1,989,333	1,601,854	1,419,549	(28.6%)	(11.4%)
Sub-Total	\$3,988,222	\$4,141,526	\$4,087,521	2.5%	(1.3%)
Casino Revenue Fund	\$0	\$0	\$0	---	---
Casino Control Fund	\$6,538	\$8,114	\$8,745	33.8%	7.8%
State Total	\$5,759,340	\$5,990,633	\$5,760,884	0.0%	(3.8%)
Federal Funds	\$192,705	\$53,409	\$50,775	(73.7%)	(4.9%)
Other Funds	\$402,243	\$487,503	\$504,722	25.5%	3.5%
Grand Total	\$6,354,288	\$6,531,545	\$6,316,381	(0.6%)	(3.3%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2023	Revised FY 2024	Funded FY 2025	Percentage Change	
				2023-25	2024-25
State	3,415	3,584	3,780	10.7%	5.5%
Federal	44	44	58	31.8%	31.8%
All Other	1,646	1,719	1,916	16.4%	11.5%
Total Positions	5,105	5,347	5,754	12.7%	7.6%

FY 2023 (as of December) and revised FY 2024 (as of January) personnel data reflect actual payroll counts. FY 2025 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percentage	38.9%	39.7%	N/A	---	---
---------------------------	-------	-------	-----	-----	-----

Significant Changes/New Programs (\$000)

New Jersey Economic Development Authority

General Fund, Grants-In-Aid Main Street Recovery Fund (P.L.2020, c.156)				Budget Page: D-391	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$50,250	\$50,250	\$50,250	\$26,500	(\$23,750)	(47.3%)

The Main Street Recovery Finance Program Act authorizes the Economic Development Authority (EDA) to issue grants, loans, and loan guarantees to eligible microbusinesses, small businesses, community development financial institutions, minority depository institutions, and other lenders. The recommended decrease is part of a broad-based reduction in discretionary grant program appropriations across the State budget. As of April 30, 2024, some \$28.0 million from the FY 2024 appropriation remains unexpended. The EDA has indicated that the remaining funds will be expended by the end of calendar year 2024 to support the Small Business Lease Grant Program and the Small Business Improvement Grant Program.

Since FY 2021, the State has appropriated \$200.8 million to the Main Street Recovery Fund to support small business grant and loan programs. As of the end of calendar year 2023, about 3,800 applications were approved and the EDA provided \$134.0 million in financial assistance. The funding supports six initiatives.

Program	Current Allocation
Small Business Lease Grant	\$20.0 million
Small Business Improvement Grant	\$60.0 million
Main Street Lenders Grant	\$15.0 million to \$22.5 million
Main Street Micro Business Loan	\$45.8 million
Main Street Acquisition Support Grant	\$5.0 million to \$10.0 million
Small Business E-Commerce Support Pilot	\$4.0 million
Specific Administrative Allocations	\$4.5 million to \$4.8 million
Total	\$154.3 million to \$167.0 million

General Fund, Grants-In-Aid New Jersey Commission on Science, Innovation and Technology				Budget Page: D-391	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$4,700	\$6,200	\$9,500	\$3,500	(\$6,000)	(63.2%)

Two factors comprise the recommended decrease. First, the Executive does not recommend continuing \$2.5 million in funding the Legislature added to the FY 2024 Appropriations Act for the commission, which is consistent with a general policy of recommending the elimination or reduction in FY 2025 of most appropriations the Legislature added for FY 2024. In addition, the

Significant Changes/New Programs (\$000) (Cont'd)

Executive recommends reducing the remaining grant amount by another 50 percent, or about \$3.5 million, which is also aligned with a general policy of reducing many appropriations for discretionary grant programs by 50 percent.

The EDA expects the recommended reduction to impact the commission’s grant programs rather than its operations. The EDA further noted that the commission expects to have sufficient funding remaining from its FY 2024 appropriations to provide grants to selected recipients.

The New Jersey Commission on Science, Innovation, and Technology encourages the development of scientific and technological programs, stimulates academic-industrial collaboration, and coordinates the activities of technology centers and business facilities. The commission receives financial support from the Board of Public Utilities and the General Fund.

General Fund, Grants-In-Aid Small Business Bonding Readiness Assistance Fund				Budget Page: D-391	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$500	\$1,000	\$1,000	\$500	(\$500)	(50.0%)

The recommended decrease is consistent with a general policy of reducing many appropriations for discretionary grant programs by 50 percent. The EDA has indicated that the FY 2024 appropriation of \$1.0 million would support two new cohorts of program participants by the end of calendar year 2024. The recommended FY 2025 funding would support an additional cohort by the end of FY 2025.

P.L.2016, c.84 directs the EDA to provide support services to small businesses and to assist them in securing surety bonds so that they may bid on public works projects or contracts offered by the State or federal government. This program is managed by the EDA in partnership with the African-American Chamber of Commerce of New Jersey, Inc. and the Statewide Hispanic Chamber of Commerce of New Jersey. The training includes workshops and strategic counseling sessions. According to the EDA, the program has assisted over 150 businesses since 2022.

General Fund, Grants-In-Aid Fort Monmouth Infrastructure				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$12,500	\$10,000	\$20,000	\$10,000	(\$10,000)	(50.0%)

The recommended decrease is consistent with a general policy of reducing many appropriations for discretionary grant programs by 50 percent. This budget line supports a variety of infrastructure projects on the site of the former Fort Monmouth military installation. In FY 2024,

Significant Changes/New Programs (\$000) (Cont'd)

these projects included stormwater repairs and improvements, brook dredging, and the installation of solar canopies and electric vehicle charging stations in community parking lots. The FY 2025 funding would support additional infrastructure projects related to the anticipated construction of a film studio campus and production support space by Netflix, Inc., including building demolition, the removal of old electrical equipment, electrical substation maintenance, and water line replacement.

On December 21, 2022, the Fort Monmouth Economic Revitalization Authority approved a Purchase and Sale and Redevelopment Agreement with Netflix, Inc. for a 282-acre parcel of land in Eatontown Borough and Oceanport Borough within the Main Post section of the former Fort Monmouth. Netflix, Inc. paid the authority \$55.0 million and its total capital investment is estimated at \$848.0 million. The project is anticipated to create up to 3,528 full-time equivalent construction jobs and about 1,500 New Jersey-based film production jobs.

A former 1,126-acre federal military installation bordering the Monmouth County municipalities of Eatontown Borough, Oceanport Borough, and Tinton Falls Borough, Fort Monmouth closed in September 2011. In redeveloping the fort for civilian use, the Fort Monmouth Economic Revitalization Authority is to promote economic development, conserve natural resources, provide housing, and advance the quality of life in the affected communities and the State.

General Fund, Grants-In-Aid					Budget Page: D-392	
Economic Recovery Fund – Strategic Innovation Centers and						
Maternal and Infant Health Innovation Center						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$55,000	\$70,000	\$50,000	\$30,000	(\$20,000)	(40.0%)	

This budget line funds the development of, and investments in, strategic innovation centers and the new Maternal and Infant Health Innovation Center in Trenton. The proposed decrease is consistent with the Governor’s policy of reducing appropriations for many discretionary grant programs.

Although State appropriations to the EDA for strategic innovation centers since FY 2022 have totaled \$175.0 million, the EDA has approved only two investments totaling \$35.0 million. In October 2021, the authority approved an investment of \$25.0 million in HAX LLC to support the development of a hard-technology accelerator in the City of Newark. In December 2021, the EDA approved an investment of \$10.0 million in Downtown HUB Associates, a subsidiary of the New Brunswick Development Corporation, to develop the New Jersey Innovation and Technology Hub in downtown New Brunswick. In January 2024, the authority announced that initial planning for the artificial intelligence hub under development in collaboration with Princeton University will be supported by \$250,000 from strategic innovation center funds.

In November 2023, the authority signed a non-binding letter of intent with SciTech Scity, LLC to form a limited liability company to be called Edge Works. Edge Works is charged with the development, construction, and management of a 120,000 square-foot life sciences, health care, and technology innovation hub adjacent to the Liberty Science Center in Jersey City. The EDA intends to provide \$20.0 million for Edge Works.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-In-Aid Real Estate Projects Funding, EDA				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$70,000	\$25,000	\$0	(\$25,000)	(100.0%)

The FY 2025 Governor’s Budget does not recommend additional funding for this initiative, as the EDA will support the program in FY 2025 using unexpended balances from prior-year allocations to this and related programs.

The FY 2023 Appropriations Act provided \$30.0 million to the Economic Development Authority from the State’s allocation of federal assistance from the Coronavirus State Fiscal Recovery Fund grant under the American Rescue Plan Act of 2021 for Real Estate Projects – Property Assemblage. In September 2023, the EDA approved the use of federal funding for the acquisition of real estate for the development of projects that advance community and economic development and the acquisition of property for projects which meet EDA guidelines for food deserts. According to the State accounting system, \$9.0 million has been expended while \$22.5 million remains uncommitted and unobligated.

General Fund, Grants-In-Aid Manufacturing Initiative				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$35,000	\$20,000	\$10,000	(\$10,000)	(50.0%)

The recommended decrease is consistent with a general policy of reducing many appropriations for discretionary grant programs by 50 percent. This budget line supports the New Jersey Manufacturing Voucher Program. According to the authority’s website, the demand for program grants exceeds the amount available and no new funding applications are being accepted. The authority approved 220 applications providing \$30.7 million in grant awards, as of December 31, 2023.

Under the New Jersey Manufacturing Voucher Program, the authority provides grants to support manufacturers in targeted industries that purchase equipment that integrates advanced or innovative technologies, processes, and materials to improve product manufacturing. Grants are awarded on a competitive basis to eligible applicants that meet several criteria. The program offers bonuses to applicants that are certified as minority, women, and veteran-owned businesses, are located in a New Jersey Opportunity Zone, purchase manufacturing equipment in New Jersey, have a collective bargaining agreement in place, or have 50 or fewer full-time employees. Individual grant awards cover 30 percent to 50 percent of eligible project costs and range from \$7,500 to \$250,000.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-In-Aid Arts and Innovation, EDA				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$5,000	\$3,000	(\$2,000)	(40.0%)

The proposed decrease is consistent with the Governor’s policy of reducing appropriations for many discretionary grant programs. The FY 2024 appropriation of \$5.0 million will support arts and cultural programming across the State. A language provision in the FY 2024 Appropriations Act allocated \$3.0 million of this total to the New Jersey Performing Arts Center for the North to Shore Festival. In December 2023, the EDA approved the use of the remaining \$2.0 million to provide sponsorships of up to \$500,000 to outside entities that will help in leveraging the authority’s work, image, and brand in conjunction with the North to Shore Festival and other arts and innovation programs and events. The FY 2025 Governor’s Budget’s recommended \$3.0 million appropriation for this program would exclusively support the North to Shore Festival.

General Fund, Grants-In-Aid Wealth Disparities Initiatives, EDA				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$6,000	\$3,000	(\$3,000)	(50.0%)

The recommended decrease is consistent with a general policy of reducing many appropriations for discretionary grant programs by 50 percent. As of April 30, 2024, the entire FY 2024 appropriation remains unexpended and uncommitted.

The EDA has previously indicated that this funding is intended to advance the work of the Wealth Disparities Task Force by supporting several initiatives, including the development of the Employee Stock Ownership Initiative designed to increase the number of New Jersey businesses offering employee stock ownership plans and the development of a Public-Private New Jersey Business Registry in partnership with the Rutgers Center for Local Supply Chain Resilience. According to the EDA, the FY 2025 funding will support the Employee Stock Ownership Initiative, while funding for the supply chain diversity program will be discontinued.

On April 2, 2024, the EDA issued a Request for Information seeking information from firms and individuals with perspectives on best practices, potential challenges, and appropriate considerations relevant to the development of a Statewide Employee Stock Ownership program.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-In-Aid Jersey City Redevelopment Agency – Art Museum Project				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$24,000	\$0	\$24,000	\$0	(\$24,000)	(100.0%)

The FY 2025 Governor’s Budget does not recommend additional funding for the Jersey City Development Agency - Art Museum Project, which is intended to support the development of Centre Pompidou x Jersey City. This project is managed by the Jersey City Redevelopment Agency. As of April 30, 2024, the entire FY 2024 appropriation remains uncommitted and unexpended. The EDA has noted that it has not yet reached an agreement with the Jersey City Redevelopment Agency regarding the use of the FY 2024 appropriation and cannot anticipate when this would occur or how the funding would be used.

State General Fund appropriations of \$24.0 million were provided in each of FY 2022 and FY 2024, and \$10.0 million was allocated from the State’s flexible \$6.24 billion federal Coronavirus State Fiscal Recovery Fund grant. According to the State accounting system, \$6.0 million from the FY 2022 appropriation has been expended, while the remaining \$18.0 million is committed.

Centre Pompidou x Jersey City would be a satellite of the Centre Pompidou, an art center in Paris, France that is also known as Centre national d’art et de culture Georges Pompidou. The Department of State had indicated that the center was scheduled to open in early 2024, but subsequently indicated that project construction was scheduled to be completed by April 2026, with the museum to open in July 2026. The Department of State also noted that increases in the cost of construction and global supply chain delays would increase the cost of the project significantly beyond what was originally contemplated.

General Fund, Grants-In-Aid Commuter and Transit Bus Private Carrier Relief and Jobs Program				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$12,000	\$0	(\$12,000)	(100.0%)

The FY 2025 Governor’s Budget recommends the elimination of the \$12.0 million added to the FY 2024 Appropriations Act by the Legislature for the Commuter and Transit Bus Private Carrier Relief and Jobs Program. In general, the Governor recommends eliminating or reducing in FY 2025 most appropriations added by the Legislature in FY 2024. The program is intended to help transportation companies alleviate continued revenue losses resulting from the effects of the changing work environment on bus ridership following the COVID-19 pandemic. Grant awards have not yet been announced.

This program is structured as a non-competitive grant. Award allocations will be based on each eligible applicant’s proportional share of total vehicle revenue miles for calendar year 2022 for

Significant Changes/New Programs (\$000) (Cont'd)

all eligible applicants. The maximum grant award will not exceed the amount of an applicant’s “unmet need,” which is defined as the difference between each applicant’s calendar year 2022 revenues reported in New Jersey and calendar year 2019 revenues reported in New Jersey, less any other public or private funds that a company received for calendar year 2022.

Previously, the FY 2022 Appropriations Act allocated \$25.0 million from New Jersey’s share of federal assistance from the Coronavirus State Fiscal Recovery Fund for the first round of funding through the Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program based on calendar year 2020 vehicle revenue miles. According to the EDA, 13 entities received grant funds totaling \$25.0 million.

General Fund, Grants-In-Aid					Budget Page: D-392	
Tech United: NJ – Women and Minority Business Owner Membership Cohort						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$0	\$0	\$250	\$0	(\$250)	(100.0%)	

The Legislature added \$250,000 to the FY 2024 Appropriations Act to support the Tech United: NJ – Women and Minority Business Owner Membership Cohort. This recommendation is consistent with the Governor’s general policy of eliminating or reducing in FY 2025 most appropriations added by the Legislature in FY 2024. Although the FY 2024 allocation is currently unexpended, the authority expects the funding to be spent by the end of calendar year 2024.

In December 2023, EDA approved a three-year grant agreement with the New Jersey Technology Council, Inc. to utilize the FY 2024 appropriation to support the TechUnited Women and Minority Business Owners Mentorship Program. Under the grant agreement, \$237,500 will support the program and \$12,500 will be retained by the EDA for administrative costs.

TechUnited’s Women and Minority Business Owner Mentorship Program provides counseling and networking opportunities to women and minority entrepreneurs within New Jersey. According to the EDA, the program has assisted 120 business owners since inception. Historically, the program has assisted 20 to 30 mentees annually in one or two cohorts. The grant agreement requires TechUnited to hold at least three cohorts each calendar year.

General Fund, Grants-In-Aid					Budget Page: D-392	
Focus NJ – Center for Economic Research and Workforce Solutions						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$0	\$0	\$100	\$0	(\$100)	(100.0%)	

Significant Changes/New Programs (\$000) (Cont'd)

The Legislature added \$100,000 to the FY 2024 Appropriations Act for the Focus NJ, Inc. Center for Economic Research and Workforce Solutions. The Governor recommends eliminating or reducing in FY 2025 most appropriations added by the Legislature in FY 2024. The proposed elimination is consistent with that general policy. As of April, 30, 2024, the FY 2024 funding is unobligated and unexpended. Focus NJ, Inc. is a non-profit entity that conducts economic, education, and workforce development research. The authority has indicated that it has not received guidance from Focus NJ regarding the use of the FY 2024 appropriation.

General Fund, Grants-In-Aid Film-Lease Partner Facility Investments (P.L.2023, c.97)				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$ 30,000	\$0	(\$30,000)	(100.0%)

P.L.2023, c.97 provided a one-time allocation of \$30.0 million to the Economic Development Authority to make investments, not to exceed \$10.0 million per project, in New Jersey film-lease partner facilities. To date, the EDA has not approved any investments in film-lease partner facilities and the FY 2024 appropriation remains unexpended. On April 2, 2024, the authority reopened the application process for film production facilities seeking a designation as a studio partner or film-lease partner. The authority may issue up to three film-lease partner facility designations. The EDA expects the funding to be expended by calendar year 2025.

To be eligible for the film-lease partner facility designation, an applicant must commit to own, lease, or operate a production facility of at least 250,000 square feet for five or more successive years. The owner or developer of the facility must also partner with the Economic Development Authority and accept an equity investment in the project from the authority. Designation as a film-lease partner facility allows certain production companies that use the facility to receive a higher tax credit award under the Film and Digital Media Tax Credit Program.

The EDA also noted that \$10.0 million from the supplemental appropriation has been transferred to the Film Industry Strategic Support Fund, which provides grants to State and local government entities for infrastructure improvements and site work in support of the development of a film or digital media studio production facility. The FY 2023 Appropriations Act provided \$15.0 million for the Film Industry Strategic Support Fund.

General Fund, Grants-In-Aid Employee Relocation Grants Pilot (P.L.2023, c.125)				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$ 35,000	\$0	(\$35,000)	(100.0%)

Significant Changes/New Programs (\$000) (Cont'd)

P.L.2023, c.125 appropriated \$35.0 million to the Economic Development Authority to establish a program to provide grants to businesses to assign their New Jersey resident employees from out-of-State locations to New Jersey. This appropriation was intended to be a one-time allocation of funding and is therefore not included in the FY 2025 Governor’s Budget. In March 2024, the EDA board approved the creation of the New Jersey Reassigning In-State Employees Program that will provide grants to businesses that are principally located in another state and that reassign New Jersey resident employees, who are currently assigned to locations in other states with a convenience of the employer rule, to locations in New Jersey.

Under the program, an eligible business is required to have 25 or more full-time employees in the United States, be principally located in another state, and be in substantial good standing with other State agencies. The grant amount would be equal to the New Jersey gross income tax withholdings of resident employees who are reassigned by an eligible business to a New Jersey location. However, the maximum value of all grants awarded to a single eligible business is capped at \$500,000. The authority will accept and review grant applications on a rolling basis until July 1, 2028.

General Fund, Grants-In-Aid New Jersey Motion Picture Commission				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$655	\$679	\$750	\$1,000	\$250	33.3%

The EDA has indicated that the FY 2024 appropriation of \$750,000 was sufficient to cover the salary costs of the Motion Picture and Television Development Commission; however, the recommended additional \$250,000 is needed to support fringe benefits.

Established in 1977, the commission works with production companies and New Jersey communities to coordinate film production efforts. The commission also assists production companies interested in applying for film and digital media tax credits.

General Fund, Grants-In-Aid AI Innovation Challenge, EDA				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$4,500	\$4,500	---

The FY 2025 Governor’s Budget recommends \$4.5 million in new funding for the AI Innovation Challenge. The appropriation would award competitive grants to support the use of artificial intelligence technologies for social and public good, including the improvement of government services.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-In-Aid Innovation Fellows, EDA				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$2,500	\$2,500	---

The FY 2025 Governor’s Budget recommends \$2.5 million in new funding for the Innovation Fellows Program. The appropriation would be used in connection with the Princeton University artificial intelligence hub for one or more New Jersey Innovation Fellows Program solicitations for the purpose of artificial intelligence innovation. Established by P.L.2021, c.160, the New Jersey Innovation Fellows Program authorizes the Economic Development Authority to award competitive grants to teams of entrepreneurs who operate businesses in targeted industries within certain eligible municipalities.

In December 2023, the State and Princeton University announced plans to establish a hub for artificial intelligence activity in collaboration with the authority. This partnership is intended to leverage State and private sector resources to catalyze innovation in artificial intelligence technologies, increase the State’s economic growth potential, promote rapid and responsible artificial intelligence development, and guide governmental and other public entities in artificial intelligence implementation.

General Fund, Grants-In-Aid CSIT Maternal and Infant Health R&D Grant Program				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$250	\$250	---

Established in May 2022, the Maternal and Infant Health Research and Development Grant Program supports the research and development of technologies, products, and services that enhance the quality of care and service delivery activities for women, infants, and healthcare agencies from prenatal care through the postpartum period. The FY 2024 Appropriations Act provides additional funding to the New Jersey Commission on Science, Innovation, and Technology to support the expansion of the program. In January 2024, the commission’s board authorized an FY 2024 allocation of \$1.6 million for the second round of program grants. In January 2023, the commission’s board approved awards totaling nearly \$1.3 million to 17 New Jersey-based early-stage companies.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-In-Aid Events Attraction and Marketing, EDA				Budget Page: D-392	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$15,000	\$10,000	\$19,000	\$9,000	90.0%

The authority has indicated that the additional resources would support unspecified large-scale events and activities to highlight New Jersey as a destination for tourism and business. As of April 30, 2024, the FY 2024 appropriation remains unexpended and uncommitted, but the authority anticipates that it will be fully expended for an unspecified purpose by the first half of calendar year 2025. The EDA has previously noted that the FY 2023 funding was intended to be a one-time allocation of State support for this program.

The FY 2023 appropriation is used for a three-year \$14.6 million contract with Choose New Jersey, Inc. to develop and implement an extensive marketing program that highlights the benefits of doing business in New Jersey and encourages domestic and international businesses to relocate to and expand within the State. The marketing program must support national attraction across the nine strategic sectors identified in the State’s Economic Development Plan.

Board of Public Utilities

General Fund, Direct State Services Special Purpose: Grid Modernization				Budget Page: D-396	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$15,000	\$15,000	---

All Other Funds Utility Regulation				Budget Page: D-396	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$25,000	\$25,000	---

The FY 2025 Governor’s Budget recommends total appropriations of \$40.0 million for grid modernization, \$15.0 million through a General Fund appropriation and \$25.0 million from the dedicated, off-budget Clean Energy Fund. The \$25.0 million appropriated from the Clean Energy Fund would fund competitive grants to support the development of resilience strategies to address threats to the State’s power system infrastructure, prevent outages, enhance the resilience of the electric grid, and deploy technologies to enhance grid flexibility.

Significant Changes/New Programs (\$000) (Cont'd)

Additionally, the FY 2025 Budget in Brief notes that the funding for grid modernization will provide the State match for a federal grid modernization program. Information available through Federal Funds Information for States indicates that New Jersey will receive \$29.3 million in formula-based funding from federal fiscal years 2022 through 2026 through the Grid Resilience State and Tribal Formula Grant Program. In September 2023, the U.S. Department of Energy announced that New Jersey would receive a combined allocation of \$12.8 million for federal fiscal years 2022 and 2023. The funding announcement indicates that New Jersey will use the grant funding to ensure the continuity of essential government functions during disruptive outages, mitigate the potential impact of extreme weather events on critical community facilities, support workforce development initiatives, and support the modernization of grid infrastructure in accordance with the New Jersey Energy Master Plan and the federal Justice40 Initiative.

General Fund, Direct State Services					Budget Page: D-396	
Special Purpose: Charge Up New Jersey Electric Vehicle Incentive Program						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$0	\$0	\$0	\$20,000	\$20,000	---	

The Charge Up New Jersey Electric Vehicle Incentive Program provides rebates for the purchase of light-duty plug-in electric vehicles and the purchase and installation of in-home electric vehicle service equipment. According to the FY 2025 Budget in Brief, the recommended \$20.0 million appropriation is intended to ensure that electric vehicles remain affordable in light of the Governor’s proposed three-year phase-out of the sales and use tax exemption for the purchase of zero-emission vehicles.

P.L.2019, c.362 established two new initiatives to support the State’s goals for the widespread use of electric vehicles: (1) an electric vehicle incentive program to encourage the purchase of light-duty plug-in electric vehicles; and (2) an electric vehicle charging incentive program to encourage the purchase and installation of in-home electric vehicle service equipment. The Board of Public Utilities created the Charge Up New Jersey Electric Vehicle Program to implement both initiatives. The law also requires the board to annually fund these programs with \$30.0 million from the societal benefits charge. If authorized, the additional \$20.0 million would increase total anticipated FY 2025 funding for electric vehicle incentives to \$50.0 million.

The FY 2024 Charge Up New Jersey Program offered a maximum incentive of \$4,000 for the purchase of a new electric vehicle and a \$250 rebate for the purchase and installation of at-home electric vehicle charging equipment. The State has committed all available program funding ahead of schedule in each year of the program. The FY 2024 point-of-sale incentive program was closed on November 21, 2023, as it was fully subscribed. About 36,400 electric vehicle incentives totaling \$119.9 million have been approved from the program’s inception on May 27, 2020 through March 1, 2024. The Center for Sustainable Energy administers the Charge Up New Jersey Program on behalf of the Board of Public Utilities.

Significant Changes/New Programs (\$000) (Cont'd)

Casino Control Commission

Casino Control Fund, Direct State Services Administration of Casino Gambling				Budget Page: D-405	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$6,029	\$6,538	\$8,114	\$8,745	\$631	7.8%

The recommended increase is attributable primarily to supporting three new positions at the Casino Control Commission. The commission, along with the Division of Gaming Enforcement in the Department of Law and Public Safety, is responsible for the regulation of legalized casino gaming in New Jersey. Its operations are funded through the Casino Control Fund into which are deposited all revenues accruing from the licensure of facilities, slot machines, employees, and ancillary industries.

Division of Investment

General Fund, Direct State Services Special Purpose: Secure Choice Savings Program (P.L.2019, c.56)				Budget Page: D-405	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$78	\$164	\$2,000	\$3,500	\$1,500	75.0%

This budget line funds the administration of the New Jersey Secure Choice Savings Program, rebranded “RetireReady NJ.” The additional funding would support the implementation of the program, which is anticipated to launch in the spring of 2024. Specifically, the additional funding would support eight new positions and program operations.

P.L.2019, c.56 requires employers with 25 or more employees to participate in a retirement savings program, administered through automatic payroll deductions, which allows employees of small businesses to invest in a State-administered Individual Retirement Account (IRA). The employees of participating employers will be automatically enrolled in the program but may opt out. Employees of businesses with fewer than 25 employees may also participate in the retirement savings program. The law established the New Jersey Secure Choice Savings Board in, but not of, the Department of the Treasury, to administer the program.

The board contracted with Vestwell State Savings, LLC and The Bank of New York Mellon to operate RetireReady NJ. Program participants may invest their payroll deductions in a Roth or Traditional IRA, with enrollment in a Roth IRA as the default investment option. Program participants own and have control over their accounts, subject to guidelines adopted by the New Jersey Secure Choice Savings Board.

Significant Changes/New Programs (\$000) (Cont'd)

Division of the State Lottery

All Other Funds Administration of State Lottery				Budget Page: D-406	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$14,875	\$12,337	\$16,641	\$17,057	\$416	2.5%

The recommended net increase is attributable to two factors. First, there is a \$1.3 million increase to support 18 new positions at the Division of the State Lottery in FY 2025. This increase is partially offset by an \$839,000 decrease in the division’s Services Other than Personal account, which pays for services provided by external parties. The FY 2024 Appropriations Act provided an additional \$859,000 for the division to maximize its allowable operating budget as permitted under the current contract with Northstar New Jersey. The additional funding was intended to support the installation of a performance audit program and the replacement of the division’s accounting system.

The Division of the State Lottery conducts daily and weekly lotteries, the entire net proceeds of which are dedicated to support employer contributions to the Public Employee’s Retirement System, the Police and Firemen’s Retirement System, and the Teacher’s Pension and Annuity Fund. The division also licenses and supports agents that sell lottery tickets. In an effort to increase its operating efficiency and maximize revenues, the division entered into a 15-year management services contract with Northstar New Jersey for sales, marketing, and advertising services beginning in FY 2014.

Division of Revenue and Enterprise Services

All Other Funds Administration of State Revenues and Enterprise Services				Budget Page: D-406	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$8,817	\$6,845	\$37,462	\$38,849	\$1,387	3.7%

This budget line aggregates several off-budget accounts administered by the Division of Revenue and Enterprise Services and reflects administrative expenses and transfers to other State agencies. In FY 2025, two factors account for \$36.8 million of the \$38.8 million appropriation: (1) \$31.0 million is expected to be transferred by the division from the Developmental Disabilities Community Placement and Services Fund, which contains the proceeds from the 5.8 percent assessment on the annual gross revenue of intermediate care facilities for persons with developmental disabilities, to the Division of Developmental Disabilities in the Department of Human Services in order to reduce its waiting list, make appropriate community placements, and

Significant Changes/New Programs (\$000) (Cont'd)

provide support services; and (2) \$5.8 million is expected in payments made by State agencies to Treasury Technology Services out of federal and dedicated funds to reimburse Treasury Technology Services for the cost of performing administrative services on behalf of State agencies within the scope of programs that are partially or wholly supported by federal funds.

The \$1.4 million increase in the budget line almost entirely reflects an anticipated increase in proceeds from the 5.8 percent assessment on the annual gross revenue of intermediate care facilities for persons with developmental disabilities.

Unclaimed Property Administration

All Other Funds Unclaimed Property Trust Fund Administration				Budget Page: D-406	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$8,111	\$9,843	\$8,998	\$11,177	\$2,179	24.2%

This budget line represents the administrative expenses of the Unclaimed Property Administration (UPA) that are charged to the dedicated, off-budget Unclaimed Personal Property Trust Fund. About \$1.1 million of the additional funding in FY 2025 is intended to pay the salaries and employee benefits of five additional positions and four vacant positions that are intended to be backfilled in FY 2025. The Executive also recommends increasing by \$977,000 the UPA’s Services Other than Personal account, which pays for services provided by external parties, in order to align the appropriation with actual spending needs.

The UPA administers New Jersey’s unclaimed property laws, under which the State deems certain properties abandoned by their rightful owners if no activity related thereto has been recorded during statutorily defined periods of time. Once the State deems property abandoned, the UPA takes custodial possession of the property, seeks to return the property to its rightful owner, and records a portion of its value as State revenue. Rightful owners, however, can always reclaim their property.

Division of Property Management and Construction

General Fund, Direct State Services Property Management and Construction – Property Management Services				Budget Page: D-410	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$19,925	\$21,213	\$26,537	\$22,487	(\$4,050)	(15.3%)

Significant Changes/New Programs (\$000) (Cont'd)

The recommended decrease for the Division of Property Management and Construction is largely attributable to the elimination of two one-time funding initiatives. The FY 2024 Appropriations Act provided \$3.9 million in additional funding to support the New Jersey Capital Partnership. In response to an FY 2024 OLS Discussion Point, the Department of the Treasury indicated that the additional funding would buttress the positioning of State-owned surface parking lots in downtown Trenton for future development activities and the restoration of the Trenton War Memorial as a cultural destination in Central New Jersey. The FY 2024 Appropriations Act also provided \$200,000 to replace trees around the New Jersey Capitol Complex that were removed during the recent renovation of the New Jersey State House.

The Division of Property Management and Construction manages the real estate needs of State government. In doing so, it purchases, sells, and leases office, warehouse, and other space for all State government entities, with certain exceptions. The division also provides full maintenance services for all State-owned buildings in the Trenton area and manages building construction and renovation projects. This budget line provides appropriations to the division to defray the costs of its building management services. In contrast, client agencies also pay for the division’s construction management services through reimbursement to an off-budget revolving fund (pages G-9 and G-10 of the FY 2025 Governor’s Budget).

Division of Risk Management

General Fund, Direct State Services Risk Management				Budget Page: D-410	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$4,734	\$5,581	\$4,472	\$5,474	\$1,002	22.4%

According to the Executive, the additional funding will support costs associated with the continued development of the Statewide Risk Management Information System. The system supports the division’s financial, employee management, and claims administration programs. The system communicates with other State financial management systems and various Horizon Casualty Service systems and underpins the State’s loss prevention, financial management, and budget functions. The department has indicated that the system has been in operation since 1990 and that the current database platform has reached the end of its useful life.

The Division of Risk Management is responsible for developing and implementing a Statewide risk management strategy to protect physical State assets from accidental loss or damage and to reduce the frequency and severity of on-the-job injuries to State employees. The division also administers the State’s self-insured Workers Compensation and Sick Leave Injury programs.

Significant Changes/New Programs (\$000) (Cont'd)

Division of Purchase and Property

General Fund, Direct State Services Special Purpose: Contractor Study Implementation				Budget Page: D-411	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$600	\$600	---

The FY 2025 Governor’s Budget includes \$600,000 for activities by the Chief Diversity Officer to increase the utilization of small, minority, women, and service-disabled veteran-owned businesses in State procurements. The Chief Diversity Officer would do so through enhanced outreach and business and agency support. The activities would be undertaken in response to the January 2024 Statewide Disparity Study that found that these businesses were underutilized in State agency procurements.

Division of Pensions and Benefits

All Other Funds Pensions and Benefits				Budget Page: D-411	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$87,676	\$94,498	\$119,674	\$114,853	(\$4,821)	(4.0%)

This budget line represents the expenses of the Division of Pensions and Benefits for administering the various retirement systems and employee benefit programs, which are charged to the State’s pension funds. The recommended decrease results from the net impact of two factors related to the Police and Firemen’s Retirement System. First, there is a \$1.7 million increase for 10 new positions to administer the Police and Firemen’s Retirement System. Second, there is a \$6.5 million decrease in the division’s Services Other than Personal appropriation, which pays for services for external parties, that is related to the shift of the responsibility for the management of the Police and Firemen’s Retirement System from the Division of Investment to the Board of Trustees of the Police and Firemen’s Retirement System.

Significant Changes/New Programs (\$000) (Cont'd)

Office of Administrative Law

General Fund, Direct State Services Adjudication of Administrative Appeals				Budget Page: D-413	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$4,478	\$8,778	\$10,838	\$8,546	(\$2,292)	(21.1%)

The FY 2025 Governor’s Budget recommends a \$2.3 million reduction in funding for salaries and wages for the Office of Administrative Law to align the appropriation with need. The Executive has also placed \$2.0 million from the office’s FY 2024 appropriation in reserve in anticipation of a year-end lapse to the General Fund.

Organized “in but not of” the Department of the Treasury, the Office of Administrative Law is charged with the development and administration of a fair, comprehensive, and uniform system of administrative practice and procedures in the Executive Branch of State government. The office conducts hearings for most State agencies and supervises rulemaking activities for all State agencies. Its staff reviews agency rulemaking to determine compliance with the Administrative Procedure Act and maintains a publicly accessible and searchable database that identifies the number, nature, and current status of all pending or proposed rulemaking actions in the State.

Office of Information Technology

General Fund, Direct State Services Services Other Than Personal				Budget Page: D-416	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$50,940	\$56,242	\$23,907	\$28,581	\$4,674	19.6%

The department has indicated that the additional funding is necessary to support increased fees charged by Oracle and Broadcom for maintaining the State’s information technology infrastructure.

The OIT provides information technology services to State agencies, which include information technology governance, application development and maintenance, enterprise data center operations, telecommunications, and enterprise services.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Direct State Services Special Purpose: Office of Information Technology				Budget Page: D-416	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$60,000	\$63,000	\$3,000	5.0%

This budget line represents transfers of federal and dedicated funds from State agencies to the Office of Information Technology (OIT) for billable services performed by the office. No expenditures are made from this budget line. Funds transferred from other State agencies are allocated among other OIT budget lines to support the agency’s operations.

The OIT has a recommended FY 2025 budget of \$183.9 million. Excluding the proposed \$32.7 million appropriation for the Office of Emergency Telecommunications Services, the OIT’s total recommended FY 2025 funding is \$151.2 million. Of this amount, transfers of federal dedicated funds from State agencies for billable OIT services account for \$63.0 million, or 41.7 percent, and General Fund appropriations account for the remaining \$88.2 million, or 58.3 percent.

General Fund, Direct State Services Special Purpose: NJCFS Modernization				Budget Page: D-417	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$594	\$1,275	\$15,200	\$10,200	(\$5,000)	(32.9%)

The FY 2025 Governor’s Budget recommends \$10.2 million to continue the modernization of the New Jersey Comprehensive Financial System (NJCFS), which is the State’s integrated budgeting and accounting system. The Department of the Treasury estimates the new system to cost \$39.0 million from FY 2022 to FY 2025. Between FY 2022 and FY 2024, the State appropriated \$29.6 million for NJCFS Modernization. The Executive has indicated that the FY 2025 appropriation would represent the final installment of funding for this project.

Office of Emergency Telecommunication Services

General Fund, Direct State Services Special Purpose: Statewide 9-1-1 Emergency Telecommunication System				Budget Page: D-417	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$26,105	\$13,774	\$13,822	\$21,822	\$8,000	57.9%

Significant Changes/New Programs (\$000) (Cont'd)

The FY 2025 Governor’s Budget increases the allocation for the Statewide 9-1-1 Emergency Telecommunication System to support the Next Generation 9-1-1 project. The project encompasses the development of a new 9-1-1 call delivery network and the transition to a new 9-1-1 provider that replaces the current analog services provided by Verizon Communications, Inc. The department has noted that costs associated with the implementation of the Next Generation 9-1-1 system will be incurred incrementally as the system is expanded to all 21 counties. During this period, State resources will be required to support the legacy network.

In March 2022, the OIT awarded a contract to Century Link Communications, LLC for the Next Generation 9-1-1 program. In response to an FY 2024 OLS Discussion Point, the department noted that the first county, Somerset County, was scheduled to transition to the new network on August 14, 2023. Additionally, supply chain disruptions required an extension of the project’s time frame from 24 to 36 months to between 36 and 48 months. The installation of on-site equipment and connecting to the Next Generation Emergency Services Information Network was scheduled to start in the summer of 2023 and was expected to be completed in June 2026.

Direct Property Tax Relief and State Financial Aid

Property Tax Relief Fund, Grants-In-Aid				Budget Page: D-420	
Senior and Disabled Citizens’ Property Tax Freeze (PTRF)					
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$192,370	\$176,523	\$181,800	\$188,100	\$6,300	3.5%

The FY 2025 Governor's Budget recommends \$188.1 million for the Senior and Disabled Citizens' Property Tax Freeze (Senior Freeze Program), representing an increase of \$6.3 million. But after factoring in the intended return to the General Fund of an unneeded \$7.7 million that was appropriated in FY 2024, State appropriation is recommended to be \$14.0 million higher in FY 2025 than in the current fiscal year.

This increase is attributed to the program expansion under P.L.2023, c.75. The law raised the income eligibility limit to \$150,000 beginning in tax year 2022, subject to annual inflationary increases, and reduced the residency requirement from 10 years to three years. As a result of these changes, the Executive estimates that over 50,000 additional households will qualify for a reimbursement in FY 2025. The Senior Freeze Program provides reimbursements for property tax increases to eligible senior citizens and disabled persons in New Jersey.

Significant Changes/New Programs (\$000) (Cont'd)

Property Tax Relief Fund, Grants-In-Aid Stay NJ Property Tax Credit Program (P.L.2023, c.75) (PTRF)				Budget Page: D-420	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$100,000	\$200,000	\$100,000	100.0%

The Stay NJ Property Tax Credit Program is intended to provide additional property tax relief to senior citizens starting in January 2026. The recommended increase is consistent with statutory prefunding requirements.

Under the program, beginning in 2026, eligible senior citizen homeowners and tenants with an annual gross income under \$500,000 will receive a property tax credit equal to 50 percent of the property tax bill on the person’s principal residence. The benefit may not exceed \$6,500 in tax year 2026, subject to annual inflation adjustments thereafter, or the combined benefit received by the person under the Senior Freeze and ANCHOR programs for each year.

Property Tax Relief Fund, State Aid South Jersey Port Corporation Subordinated Bonds Debt Service Reserve Fund				Budget Page: D-421	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$12,710	\$12,710	\$31,951	\$15,636	(\$16,315)	(51.1%)

Statutory law requires the State to annually appropriate funds to the South Jersey Port Corporation’s debt service reserve fund to cover any shortfall between the corporation's reserve fund balances and its debt service payment obligations for the upcoming calendar year. According to the Executive, the FY 2024 appropriation was based on the assumption that new bonds would be issued by the corporation; these bonds will no longer be issued. Accordingly, some \$16.6 million of the current-year appropriation is planned to revert to the General Fund. The Governor’s recommended FY 2025 appropriation reflects the current debt service needs of the corporation, without the issuance of new bonds.

Property Tax Relief Fund, State Aid Senior and Disabled Citizens’ Property Tax Deductions (PTRF)				Budget Page: D-421	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$7,366	\$6,666	\$6,500	\$6,200	(\$300)	(4.6%)

The recommended decrease reflects the steady, long-term decline in the number of program participants. In FY 1999, some 121,000 claimants received deductions while only 23,953

Significant Changes/New Programs (\$000) (Cont'd)

claimants are expected to do so in FY 2024. In FY 2025, the department expects this number to decrease further to 22,159 claimants.

Article VIII, Section I, Paragraph 4 of the New Jersey Constitution provides a \$250 property tax deduction to homeowners who are 65 years of age or older or disabled or both, and whose incomes do not exceed \$10,000. The \$10,000 income limit does not include Social Security benefits, and the State reimburses municipalities for 102 percent of the revenue loss that occurs as a result of this deduction to cover their administrative expenses.

Property Tax Relief Fund, State Aid Veterans' Property Tax Deductions (PTRF)				Budget Page: D-421	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$37,199	\$35,506	\$35,200	\$32,400	(\$2,800)	(8.0%)

The Executive recommends reducing the FY 2025 appropriation for State reimbursements to municipalities for the cost of veterans' property tax deductions, as the department anticipates the steady, long-term decline in the number of program participants to continue. In FY 1999, 344,000 veterans received the deductions. In FY 2024, some 130,283 did so, and the department expects the number to decrease further to 122,911 in FY 2025.

Article VIII, Section I, Paragraph 3 of the New Jersey Constitution provides a \$250 property tax deduction to veteran homeowners who were honorably discharged or released under honorable circumstances from active service in any branch of the Armed Forces of the United States, and their surviving spouses. The State reimburses municipalities for 102 percent of the revenue losses that occur as a result of the deduction to cover their administrative expenses.

Property Tax Relief Fund, State Aid Police and Firemen's Retirement System - Post Retirement Medical (PTRF)				Budget Page: D-421	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$44,465	\$51,634	\$54,732	\$57,275	\$2,543	4.6%

The higher recommended FY 2025 appropriation is due to more retirees receiving post-retirement medical benefits and is consistent with the Plan Year 2024 Rate Renewal Analysis for the State Health Benefits Program – State Group and member projections.

This appropriation covers the State's obligation under P.L.1997, c.330. The law requires the State to pay 80 percent of the cost of the least expensive plan offered by the State Health Benefits Plan for the level of coverage selected for Police and Firemen's Retirement System members who retired on disability or with at least 25 years of creditable service and whose employers do not

Significant Changes/New Programs (\$000) (Cont'd)

pay for health benefits coverage for their retired employees. Fiscal year appropriations blend health benefit plan enrollment and claims projections for parts of two plans, which run on a calendar year basis.

Because the State is self-insured for the provision of health care benefits for its employees and retirees, and those of certain local governments, the budgeted appropriations are estimates of the claim costs that the State will incur in a given fiscal year. While the appropriations provide the source of funds to pay for claim costs, the actual expenditures are paid out of the State Health Benefits Fund.

Property Tax Relief Fund, State Aid						
Pension Contribution: Police and Firemen’s Retirement System						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.		Change FY 2024 – FY 2025	
A) Police and Firemen’s Retirement System (PTRF)						Budget Page: D-421
\$145,757	\$133,694	\$135,082	\$141,116		\$6,034	4.5%
B) Police and Firemen’s Retirement System (P.L.1979, c.109) (PTRF)						Budget Page: D-421
\$107,854	\$99,130	\$99,128	\$100,194		\$1,066	1.1%
Total, Pension Contribution: Police and Firemen’s Retirement System						
\$253,611	\$232,824	\$234,210	\$241,310		\$7,100	3.0%

The proposed appropriations represent 100 percent of the actuarially determined State pension contribution to the Police and Firemen’s Retirement System (PFRS) for full-time county and municipal police officers and firefighters.

Property Tax Relief Fund, State Aid						
Energy Tax Receipts Property Tax Relief Aid (PTRF)						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.		Change FY 2024 – FY 2025	
\$1,253,703	\$1,310,133	\$798,398	\$805,636		\$7,238	0.9%

The Governor recommends increasing the appropriation for Energy Tax Receipts Property Tax Relief Aid (ETR Aid) in order to provide the full amount of aid payments to municipalities from the Energy Tax Receipts Property Tax Relief Fund in FY 2025. Current law requires that the total amount of ETR Aid distributed to municipalities be annually adjusted for inflation. To fulfill this funding requirement, language provisions in successive appropriations acts have transferred appropriations from the Consolidated Municipal Property Tax Relief Aid (CMPTRA) program account to the Energy Tax Receipts Property Tax Relief Fund. In FY 2025, the CMPTRA transfer is again insufficient to support the full amount of the statutorily required ETR Aid increase (\$7.2

Significant Changes/New Programs (\$000) (Cont'd)

million). The additional State funding is intended to cover the difference between those two amounts.

The recommended FY 2025 ETR Aid appropriation of \$805.6 million will be supplemented by the transfer of \$649.3 million from CMPTRA to the Energy Tax Receipts Property Tax Relief Fund. In sum, municipalities will receive FY 2025 ETR Aid payments totaling of \$1.45 billion, an increase of \$7.2 million, or 0.5 percent, from the FY 2024 distribution. ETR Aid is the State’s largest municipal aid program through which the State distributes aid to municipalities and its amounts are dictated by statutes.

Property Tax Relief Fund, State Aid Municipal Relief Fund (PTRF)				Budget Page: D-422	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$75,000	\$150,000	\$0	(\$150,000)	(100.0%)

The Legislature added \$150.0 million to the FY 2024 Appropriations Act for the Municipal Relief Fund. The appropriation was distributed to municipalities based on each municipality’s proportional share of the total distribution of Energy Tax Receipts Property Tax Relief Aid. The Governor does not recommend funding this initiative in FY 2025, consistent with a general policy of recommending the elimination or reduction of most additions by the Legislature to the FY 2024 Appropriations Act.

Property Tax Relief Fund, State Aid Salem County – 9-1-1 Emergency Telecommunications System Upgrades (PTRF)				Budget Page: D-422	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$2,500	\$0	(\$2,500)	(100.0%)

The Legislature added \$2.5 million in State aid funding to the FY 2024 Appropriations Act for upgrades to Salem County’s 9-1-1 system. The Governor recommends eliminating this appropriation in FY 2025, consistent with general policy.

Significant Changes/New Programs (\$000) (Cont'd)

Division of Administration

General Fund, Direct State Services					Budget Page: D-425	
Special Purpose: New Jersey Infrastructure Bank – Water and Sewer Asset Optimization Study						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$0	\$0	\$2,000	\$0	(\$2,000)	(100.0%)	

The FY 2025 Governor's Budget does not recommend continued funding for the New Jersey Infrastructure Bank - Water and Sewer Asset Optimization Study. The \$2.0 million appropriation was added to the FY 2024 Appropriations Act by the Legislature. According to the Executive, this study is currently ongoing and all of the FY 2024 appropriation has been expended.

General Fund, Direct State Services					Budget Page: D-426	
Special Purpose: New Jersey Infrastructure Bank – STORM Act State Match						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$0	\$0	\$ 647	\$0	(\$647)	(100.0%)	

In FY 2024, New Jersey received a \$6.4 million federal Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act award. The supplemental appropriation represents the required ten percent State match. The federal law provides revolving loan funds to states to finance projects that reduce risks from natural hazards and disasters. The New Jersey Community Hazard Assistance Mitigation (NJ CHAMP) Program was established within the New Jersey Infrastructure Bank to apply for STORM Act funds and administer the revolving loan program. The program will award very low-cost financing to eligible projects and manage the repayments as revolving loan funds to be re-lent to finance additional projects.

General Fund, Grants-In-Aid					Budget Page: D-426	
New Jersey Wind Institute for Innovation and Training, EDA						
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025		
\$0	\$5,000	\$5,000	\$0	(\$5,000)	(100.0%)	

The FY 2025 Governor's Budget recommends shifting funding for the New Jersey Wind Institute for Innovation and New Development (WIND Institute) from the General Fund to the off-budget Global Warming Solutions Fund, which receives its revenue principally from the sale of emission

Significant Changes/New Programs (\$000) (Cont'd)

allowances through the Regional Greenhouse Gas Initiative (RGGI). Fund balances are used to provide grants and financial assistance for energy efficiency projects and initiatives to reduce greenhouse gases.

The WIND Institute serves as a center for education, research, innovation, and workforce training related to the development of offshore wind in New Jersey and the Northeast and Mid-Atlantic region. In each of FY 2023 and FY 2024, the State appropriated \$5.0 million to support the WIND Institute, all of which has been expended.

General Fund, Grants-In-Aid Old Barracks Museum				Budget Page: D-426	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$1,000	\$500	(\$500)	(50.0%)

According to the Executive, this recommended decrease is part of a broad-based reduction in discretionary grant programs across the State budget.

All Other Funds Cannabis Regulatory Commission				Budget Page: D-426	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$6,023	\$9,957	\$15,058	\$17,298	\$2,240	14.8%

The Administration recommends additional funding to hire additional personnel and procure a new case management system for the Cannabis Regulatory Commission. Established in, but not of, the Department of the Treasury, the commission is responsible for the oversight, administration, and enforcement of the medical and recreational cannabis programs.

All Other Funds Administration and Support Services				Budget Page: D-426	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$56,448	\$44,865	\$70,084	\$60,902	(\$9,182)	(13.1%)

This budget line aggregates various revenue sources allocated to the Division of Administration. The net decrease is primarily attributable to an \$8.7 million decline in the transfer from the

Significant Changes/New Programs (\$000) (Cont'd)

dedicated, off-budget Health Insurance Exchange Trust Fund to finance the operations of the State-based health insurance exchange (Get Covered NJ) and support health insurance outreach and enrollment efforts. The recommended \$8.7 million reduction reflects a one-time FY 2024 transfer for additional outreach and enrollment efforts so that NJ FamilyCare members who lose coverage during the “unwinding” process due to income-ineligibility may receive subsidized, private health insurance coverage through Get Covered NJ.

Office of the Public Defender

General Fund, Direct State Service Special Purpose: Holistic Defense Pilot				Budget Page: D-430	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$0	\$0	\$0	\$750	\$750	---

The Holistic Defense Pilot Program would support the transition of the Office of the Public Defender to a more integrated and holistic model of defense. The recommended FY 2025 appropriation would implement the program in three counties. A consultant would provide staffing and managerial resources for the office to increase engagement and provide services to people both in and out of custody who struggle with mental health issues or substance use disorders.

Legal Services of New Jersey

General Fund, Grants-In-Aid Legal Services of New Jersey – Legal Assistance in Civil Matters				Budget Page: D-431	
FY 2022 Expended	FY 2023 Expended	FY 2024 Adj. Approp.	FY 2025 Recomm.	Change FY 2024 – FY 2025	
\$35,518	\$40,018	\$41,018	\$32,014	(\$9,004)	(22.0%)

This decrease for Legal Services of New Jersey is the sum of two general expenditure-reduction policies: the elimination of \$1.0 million that the Legislature added to the FY 2024 Appropriation Act, as well as a further reduction of the residual amount by 20 percent (\$8.0 million).

Legal Services of New Jersey is an independent non-profit organization that provides free legal assistance in civil matters to low-income residents. The organization also runs the Poverty Research Institute to collect data and other information that assist in the provision of civil legal aid to indigent clients. The organization offers legal advice and representation, online resources, and pro bono opportunities to financially eligible individuals.

Significant Language Changes

AI Innovation Challenge Grants – Economic Development Authority

Addition

FY 2024 Handbook: p. N/A
 FY 2025 Budget: p. D-393

Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated for AI Innovation Challenge shall be used by the New Jersey Economic Development Authority to provide grants through one or more competitive programs to individuals or entities that submit applications or proposals for the use of artificial intelligence technologies for social and public good, including, but not limited to, the improvement of government services, which grants the New Jersey Economic Development Authority may provide directly or may provide through grants to entities that operate or manage innovation-oriented centers for such entities to administer their own grant programs.

Explanation

The FY 2025 Governor’s Budget recommends a new \$4.5 million appropriation to the Economic Development Authority for the AI Innovation Challenge. This associated language stipulates certain criteria for the program. The grant program would be available to individuals or entities that develop proposals for the use of artificial intelligence technologies for social and public good, including the improvement of government services.

Innovation Fellows Grants – Economic Development Authority

Addition

FY 2024 Handbook: p. N/A
 FY 2025 Budget: p. D-393

Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated for Innovation Fellows shall be used by the New Jersey Economic Development Authority, in consultation with Princeton University and in connection with the Princeton University artificial intelligence hub, for one or more New Jersey Innovation Fellows Program solicitations for the purpose of artificial intelligence innovation.

Explanation

The FY 2025 Governor’s Budget proposes a \$2.5 million appropriation for Innovation Fellows to support artificial intelligence innovation. This associated language provision specifies that the appropriation would support artificial intelligence innovation grants awarded by the Economic Development Authority through the New Jersey Innovation Fellows Program. The language provision requires the fellowships to be awarded in consultation with Princeton University and in conjunction with the Princeton University artificial intelligence hub. In

EXPLANATION: FY 2024 language not recommended for FY 2025 denoted by strikethrough.
 Recommended FY 2025 language that did not appear in FY 2024 denoted by underlining.

Significant Language Changes (Cont'd)

December 2023, the State and Princeton University announced plans to establish a hub for artificial intelligence activity in collaboration with the authority.

The New Jersey Innovation Fellows Program Act authorizes the Economic Development Authority to award competitive grants to teams of entrepreneurs who operate businesses in targeted industries within certain eligible municipalities. The grants provide replacement income for entrepreneurs who leave the workforce to open and operate businesses. Grantees must commit to working at the business on a full-time basis for two years following receipt of the grant; participate in a mentorship program; pay New Jersey gross income tax at the time of the application; and remain in New Jersey during the time grants are disbursed and for two years thereafter.

Clean Energy Fund – Grid Modernization Initiatives

Addition

FY 2024 Handbook: p. N/A
 FY 2025 Budget: p. D-397

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amount hereinabove appropriated for Grid Modernization, there is appropriated \$25,000,000 from the Clean Energy Fund to the Board of Public Utilities for the purpose of providing grants, through a competitive process, to support the development of comprehensive and regional resilience strategies to address threats to the State’s power system infrastructure, prevent outages, enhance the resiliency of the electric grid, and deploy technologies to enhance grid flexibility, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This new language provision appropriates \$25.0 million from the dedicated, off-budget Clean Energy Fund to the Board of Public Utilities (BPU) for competitive grants to support the development of comprehensive and regional resilience strategies to strengthen New Jersey’s power system infrastructure, prevent outages, enhance the resilience of the electric grid, and deploy technologies to enhance grid flexibility. This funding would supplement a General Fund appropriation of \$15.0 million for grid modernization. According to the FY 2025 Budget in Brief, the funding for grid modernization will allow the State to satisfy the matching funds requirement of a federal grid modernization program.

New Jersey ratepayers finance the Clean Energy Program via the societal benefits charge that is embedded in their electric and natural gas bills. Clean Energy Fund balances are statutorily dedicated to energy efficiency and renewable energy initiatives. The Executive anticipates an FY 2025 year-end balance in the Clean Energy Fund of \$597.4 million.

EXPLANATION: FY 2024 language not recommended for FY 2025 denoted by strikethrough. Recommended FY 2025 language that did not appear in FY 2024 denoted by underlining.

Significant Language Changes (Cont'd)

Stay NJ Property Tax Credit Program – Carryforward Authority	
Addition	FY 2024 Handbook: p. N/A FY 2025 Budget: p. D-422

The unexpended balance at the end of the preceding fiscal year in the Stay NJ Property Tax Credit Program (P.L.2023, c.75) account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This recommended language provision would grant carryforward authority for the Stay NJ Property Tax Credit Program account. Current law requires the appropriation of \$100.0 million to the account in FY 2024 and \$200.0 million in FY 2025 to partially pre-fund FY 2026 Stay NJ Property Tax Credit Program benefits.

Under the program, beginning in 2026, eligible senior citizen homeowners and tenants with an annual gross income under \$500,000 will receive a property tax credit equal to 50 percent of the property tax bill on the person’s principal residence. The benefit may not exceed \$6,500 in tax year 2026, subject to annual inflation adjustments thereafter, or the combined benefit received by the person under the Senior Freeze and ANCHOR programs for each year.

Elimination of Municipal Relief Fund	
Deletion	FY 2024 Handbook: p. B-230 FY 2025 Budget: p. N/A

~~Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Municipal Relief Fund shall be distributed to municipalities on the same schedule as Energy Tax Receipts Property Tax Relief Aid and shall be allocated to municipalities in amounts proportional to the amount received by a municipality from Energy Tax Receipts Property Tax Relief Aid, including amounts transferred from Consolidated Municipal Property Tax Relief Aid to the Energy Tax Receipts Property Tax Relief Aid account.~~

Explanation

The Legislature included \$150.0 million in the FY 2024 Appropriations Act to provide additional State aid to municipalities through the Municipal Relief Fund. In accordance with this budget language, Municipal Relief Fund payments were distributed to municipalities based on each municipality’s proportional share of the total distribution of Energy Tax Receipts Property Tax Relief Aid. The Governor does not recommend funding this initiative in FY 2025, consistent with a general policy of recommending the elimination or reduction of most additions by the Legislature to the FY 2024 Appropriations Act.

EXPLANATION: FY 2024 language not recommended for FY 2025 denoted by strikethrough.
 Recommended FY 2025 language that did not appear in FY 2024 denoted by underlining.

Significant Language Changes (Cont'd)

New Jersey Maternal and Infant Health Innovation Authority Fund – Carryforward Authority		
Addition	FY 2024 Handbook:	p. N/A
	FY 2025 Budget:	p. D-427

The unexpended balance at the end of the preceding fiscal year in the New Jersey Maternal and Infant Health Innovation Authority Fund (P.L.2023, c.109) is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The recommended language provision would grant carryforward authority for unexpended balances in the New Jersey Maternal and Infant Health Innovation Authority Fund. P.L.2023, c.109 appropriated \$2.2 million to the fund for the operating expenditures of the New Jersey Maternal and Infant Health Innovation Authority. The Governor recommends renewing the appropriation in FY 2025.

FY 2024 Coronavirus State Fiscal Recovery Fund Appropriations	
Deletion	FY 2024 Handbook: p. D-18 FY 2025 Budget: N/A

~~Notwithstanding the provisions of any law or regulation to the contrary, moneys are appropriated from the federal “Coronavirus State Fiscal Recovery Fund” (SFRF) established pursuant to the federal “American Rescue Plan Act of 2021.” Pub.L.117-2, in the following amounts for the following purposes without the additional approval by the Joint Budget Oversight Committee:~~

Program	Appropriation
Urban Investment Fund	\$50,000,000
Atlantic City Initiatives	\$30,000,000

*Only the Economic Development Authority appropriations are displayed.

Explanation

The FY 2024 Appropriations Act included language allocating funds from the State’s flexible \$6.24 billion federal Coronavirus State Fiscal Recovery Fund grant, which the State received under the American Rescue Plan Act of 2021; since these funds were appropriated in FY 2024, this language provision is functionally obsolete. All Coronavirus State Fiscal Recovery Fund grant funds must be obligated by December 31, 2024 and expended by December 31, 2026.

EXPLANATION: FY 2024 language not recommended for FY 2025 denoted by strikethrough. Recommended FY 2025 language that did not appear in FY 2024 denoted by underlining.

Significant Language Changes (Cont'd)

The FY 2024 language included appropriations of \$50.0 million for a new Urban Investment Fund and \$30.0 million for Atlantic City Initiatives. Both of these programs are administered by the Economic Development Authority.

The authority has allocated the \$50.0 million provided to the Urban Investment Fund to two initiatives: \$11.8 million to support eight real estate projects in the City of Newark through the Activation, Revitalization, and Transformation (ART) Program; and \$38.2 million for a new Urban Investment Fund Grant Program. The ART Program provides one-time grants to support economic recovery in eligible urban areas that have experienced economic harms due to the reduction in commuter traffic resulting from the COVID-19 pandemic. Under the Urban Investment Fund Grant Program, the Authority will provide grants to eligible municipalities to support the revitalization of commercial corridor areas and real estate projects. The program application window is expected to open in May 2024.

The \$30.0 million allocated for Atlantic City Initiatives will support three programs: the Atlantic City Revitalization Grant Program (\$19.6 million); the ART Program (\$6.4 million); and the Atlantic City Food Security Grants Pilot Program (\$4.0 million). The Atlantic City Revitalization Program will fund capital projects located in Atlantic City neighborhoods and communities while addressing the impact of the COVID-19 pandemic on that municipality. The ART Program funding will support real estate projects in Atlantic City. The Atlantic City Food Security Grants Pilot Program will fund projects that strengthen food access and food security.

EXPLANATION: FY 2024 language not recommended for FY 2025 denoted by strikethrough.
Recommended FY 2025 language that did not appear in FY 2024 denoted by underlining.

Significant Language Changes (Cont'd)

Allocation of Cannabis Equity Grant Programs from the Dedicated Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund

Revision	FY 2024 Handbook: p. E-9 FY 2025 Budget: p. F-12
----------	---

Notwithstanding the provisions of P.L.2021, c.16 (C.24:6-31 et al.), including paragraph (1) of subsection b. of section 41 of P.L.2021, c.16 (C.24:6I-50), or any other law or regulation to the contrary, revenues deposited into the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund” ~~and designated for appropriations for investments in impact zones pursuant to paragraph (1) of subsection b. of section 41 of P.L.2021, c.16 (C.24:6I-50)~~, are appropriated for the following purposes ~~for delivery of services in impact zones, in amounts determined by the State Treasurer and:~~ \$25,500,000 for Violence Intervention programs including Hospital-Based Violence Intervention and Community-Based Violence Intervention programs; \$5,000,000 for New Jersey Economic Development Authority cannabis equity grant programs; \$2,000,000 for New Jersey-Based Children’s Defense Fund Freedom Schools; \$8,000,000 for Anti-Violence Out-of-School Youth Summer programs; and \$7,000,000 for Release Support Partnership programs, subject to the approval of the Director of the Division of Budget and Accounting; ~~Anti-Violence Out-of-School Youth Summer Program; New Jersey-Based Children’s Defense Freedom Fund Schools; New Jersey Locally Empowered, Accountable, and Determined (NJ LEAD) Program; Cannabis Apprenticeship Program; Community-Based Violence Intervention Program; Hospital-Based Violence Intervention Program; Business Action Center — Technical Assistance for Cannabis Entrepreneurs; and Cannabis Equity Grant Programs. Amounts.~~ Such additional amounts may be transferred to the Departments of Community Affairs, Corrections, ~~Labor and Workforce Development~~, Law and Public Safety, or State, or to the New Jersey Economic Development Authority for such purposes, as determined by the State Treasurer and subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This language revision specifies the recommended FY 2025 appropriations out of the dedicated, off-budget Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund. The fund receives all fees and penalties collected by the New Jersey Cannabis Regulatory Commission and certain tax revenue on retail sales of cannabis items. The Executive anticipates fund revenues to total \$93.6 million in FY 2025.

Among others, the language allocates \$5.0 million to the EDA for cannabis equity grant programs. The EDA currently administers two grant programs for cannabis businesses. The Cannabis Equity - Joint Ventures Grant Program and the Cannabis Seed Equity Grant Program provide grants to cover start-up and operational costs for new cannabis businesses during the first three years of operation.

EXPLANATION: FY 2024 language not recommended for FY 2025 denoted by strikethrough. Recommended FY 2025 language that did not appear in FY 2024 denoted by underlining.

Background Paper: FY 2025 Direct Property Tax Relief Programs

Budget Pages D-418 to D-424

The FY 2025 Governor’s Budget proposes appropriations totaling \$2.71 billion to support direct property tax relief through five programs. Each program provides different amounts of property tax relief to different groups of property taxpayers, based on distinct eligibility requirements and at different points in the calendar year.

ANCHOR Property Tax Relief Program

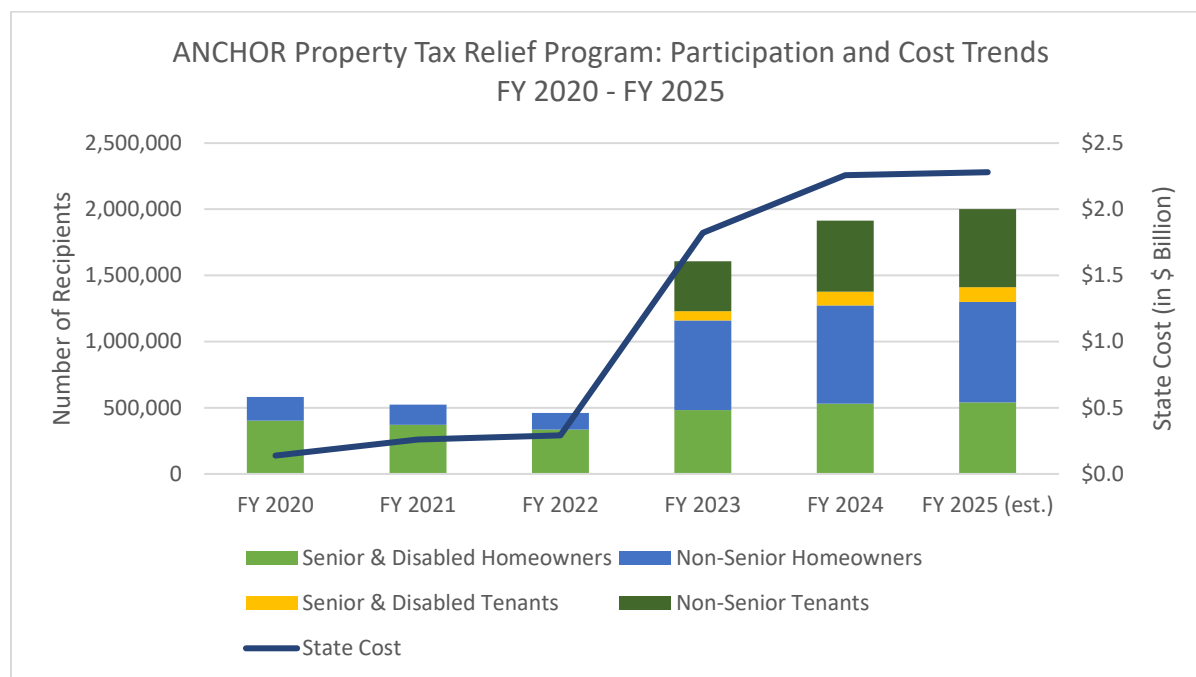
The Affordable New Jersey Communities for Homeowners and Renters (ANCHOR) Property Tax Relief Program provides rebates to offset property tax bills for eligible homeowners and tenants who are residents of the State. The FY 2025 Governor’s Budget recommends \$2.28 billion for the ANCHOR Program, an increase of \$22.0 million from the FY 2024 funding level of \$2.26 billion. The additional funding is intended to accommodate an estimated 4.6 percent increase in program participants.

The FY 2025 Governor’s Budget continues the practice of establishing eligibility requirements and rebate amounts by budget language, while maintaining most of the parameters of the FY 2024 program. The table below provides an overview of the Governor’s proposed eligibility requirements and rebate amounts.

ANCHOR Property Tax Relief Program Proposed FY 2025 Income Limits and Rebate Amounts			
Homeowner or Tenant	Status	Gross Income	Rebate Amount FY 2025 Proposed
Homeowner	Senior or Disabled	Not Over \$150,000	\$1,750
		\$150,001 to \$250,000	\$1,250
		Over \$250,000	\$0
	Under Age 65 and not Disabled	Not Over \$150,000	\$1,500
\$150,001 to \$250,000		\$1,000	
Over \$250,000		\$0	
Tenant	Senior or Disabled	Not over \$150,000	\$700
		Over \$150,000	\$0
	Under Age 65 and not Disabled	Not over \$150,000	\$450
		Over \$150,000	\$0

As noted in the chart on the following page, the ANCHOR Property Tax Relief Program has experienced rapid growth in both the number of program participants and State costs in recent years. The number of ANCHOR beneficiaries has grown by over 300 percent, from about 581,000 property taxpayers in FY 2020 to about 1.9 million in FY 2024, while program costs have increased from \$138.9 million to an estimated \$2.26 billion during that same period. The number of ANCHOR beneficiaries is projected to be slightly over 2.0 million in FY 2025 with State costs increasing to an estimated \$2.28 billion.

Background Paper: FY 2025 Direct Property Tax Relief Programs (Cont'd)



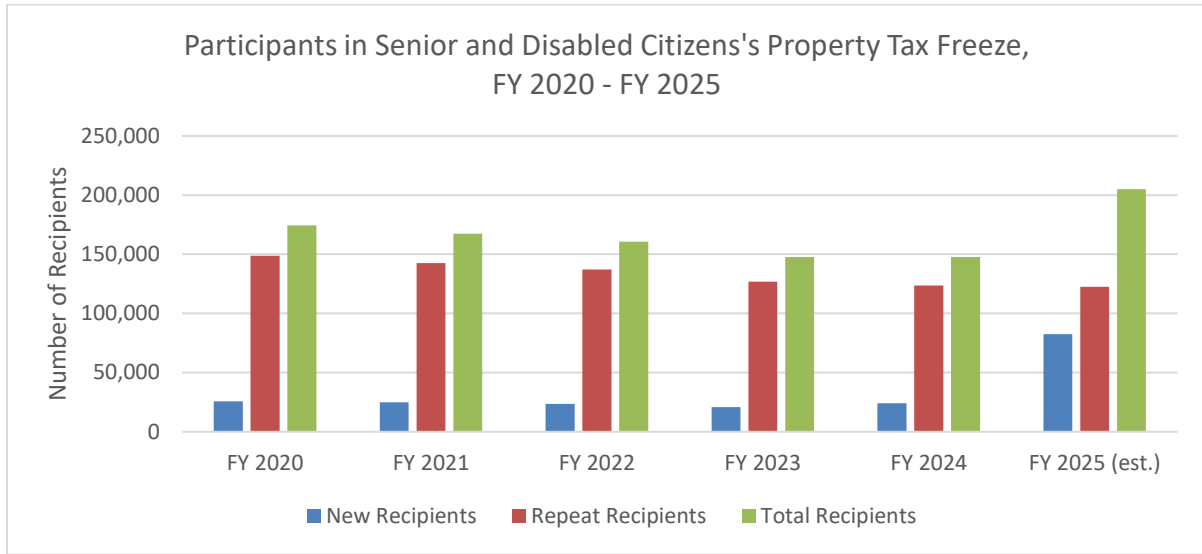
These trends are attributable to three factors. First, from FY 2020 through FY 2022, the program, then known as the Homestead Benefit Program, was limited to non-senior homeowners with incomes not exceeding \$75,000 and senior and disabled homeowners with incomes not exceeding \$150,000. Beginning in FY 2023, these income limits were expanded to include homeowners of any age with incomes not exceeding \$250,000. Second, the rebate amounts were increased from a maximum of \$1,000 through FY 2022 to a flat \$1,000 or \$1,500 for homeowners, depending on their income level. In FY 2024, these rebate amounts were further increased by \$250 for homeowners over 65 years of age. Third, tenants with income not exceeding \$150,000 were made eligible for the program beginning in FY 2023, receiving a \$450 benefit, which was subsequently increased to \$700 for senior and disabled tenants in FY 2024.

Senior and Disabled Citizens’ Property Tax Freeze

The Homestead Property Tax Reimbursement Program, also known as the "Senior Freeze" Program, provides eligible claimants with a reimbursement equal to the difference between their property taxes in the current year and their initial year of eligibility. Under the program, eligible claimants may include residents who are 65 or older or receive Social Security disability benefits, who earn annual income below certain amounts, and who meet certain ownership and residency requirements. Effective in tax year 2022, P.L.2023, c.75 increased the income eligibility threshold from nearly \$100,000 to \$150,000, subject to annual adjustments, and reduced the ownership and residency requirement from 10 to three years. These changes are expected to expand program participation by 82,375 households in FY 2025, with an estimated additional cost of roughly \$21.7 million. The FY 2025 Governor’s Budget recommends \$188.1 million for the Senior Freeze Program, representing an increase of \$6.3 million from the amount appropriated in FY 2024.

Before the recent modifications to the program’s eligibility requirements, the Senior Freeze Program experienced a steady decrease in the number of program participants. The graph on the following page shows the trend of the number of program participants since FY 2020, including the Executive’s estimate for FY 2025.

Background Paper: FY 2025 Direct Property Tax Relief Programs (Cont'd)



As a result of the decrease in the number of program participants through FY 2024, the annual expenditures for the Senior Freeze Program have also steadily decreased in recent years. The table below provides an overview of the annual appropriations and expenditures for the program since FY 2020, as well as the average benefit per participant in each year. As shown in this table, the State appropriations for the program have historically exceeded actual expenditures. At the end of each fiscal year, these excess funds generally lapse to the Property Tax Relief Fund.

Senior and Disabled Citizens' Property Tax Freeze				
	Appropriation	Expenditure	Difference	Average Benefit
FY 2020	\$219,700,000	\$207,283,512	\$12,416,488	\$1,182
FY 2021	\$219,700,000	\$197,754,404	\$21,945,596	\$1,177
FY 2022	\$219,700,000	\$192,370,343	\$27,329,657	\$1,191
FY 2023	\$199,700,000	\$176,522,820	\$23,177,180	\$1,187
FY 2024	\$181,800,000	\$175,298,795	\$6,501,205	\$1,171

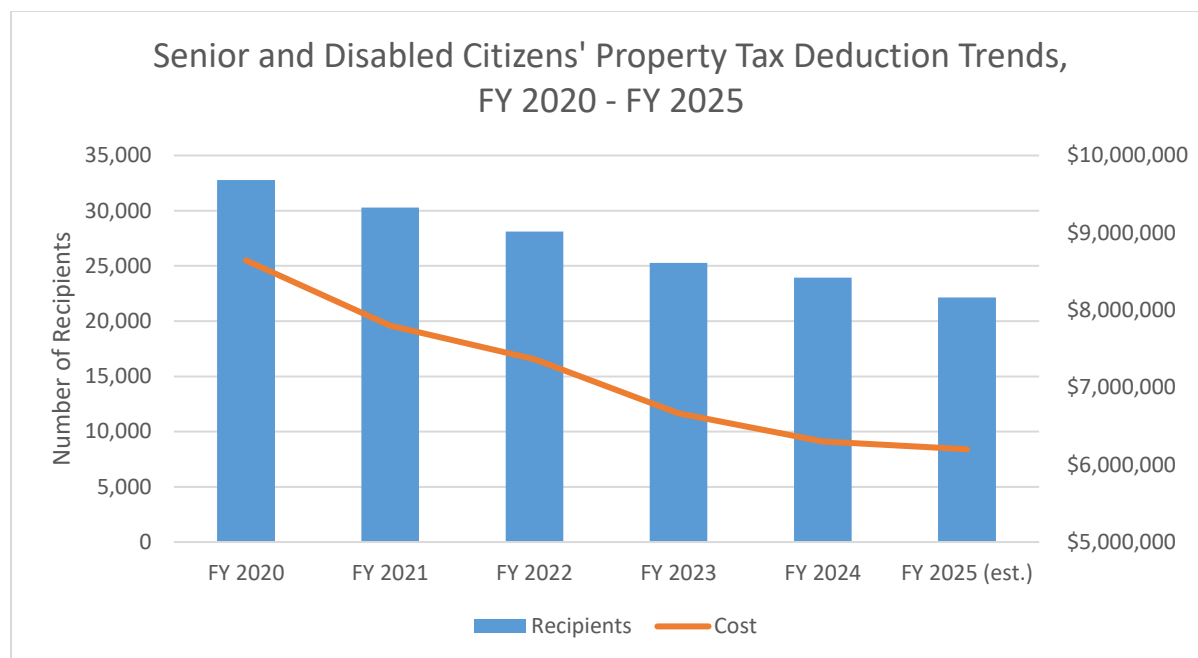
Senior and Disabled Citizens' Property Tax Deduction

Article VIII, Section I, Paragraph 4 of the New Jersey Constitution provides a \$250 property tax deduction to homeowners who are 65 years of age or older, or disabled, or both, and whose incomes do not exceed \$10,000. The \$10,000 income limit does not include certain exceptions, including Social Security benefits. Surviving spouses of program recipients may also be eligible for the deduction, provided that they are 55 years of age or older at the time of the spouse's death. Operationally, the deduction is applied as a credit against the homeowner's property tax bill. The State provides reimbursements to municipalities for 102 percent of the revenue loss that occurs from the credit, to cover the municipality's administrative expenses. The benefit level of \$250 and the \$10,000 income limit have remained in effect since tax year 1983.

The Executive recommends \$6.2 million for the cost of the senior and disabled citizens' property tax deduction, a decrease of 4.6 percent from the FY 2024 adjusted appropriation of \$6.5 million, as the department anticipates the steady, long-term decline in the number of program participants

Background Paper: FY 2025 Direct Property Tax Relief Programs (Cont'd)

to continue. In FY 1999, 121,000 claimants received deductions. In FY 2024, some 23,983 did so, and the department expects the number to decrease further to 22,159 in FY 2025. The chart below shows the decrease in the cost and number of senior and disabled citizens' property tax deduction claimants since FY 2020.



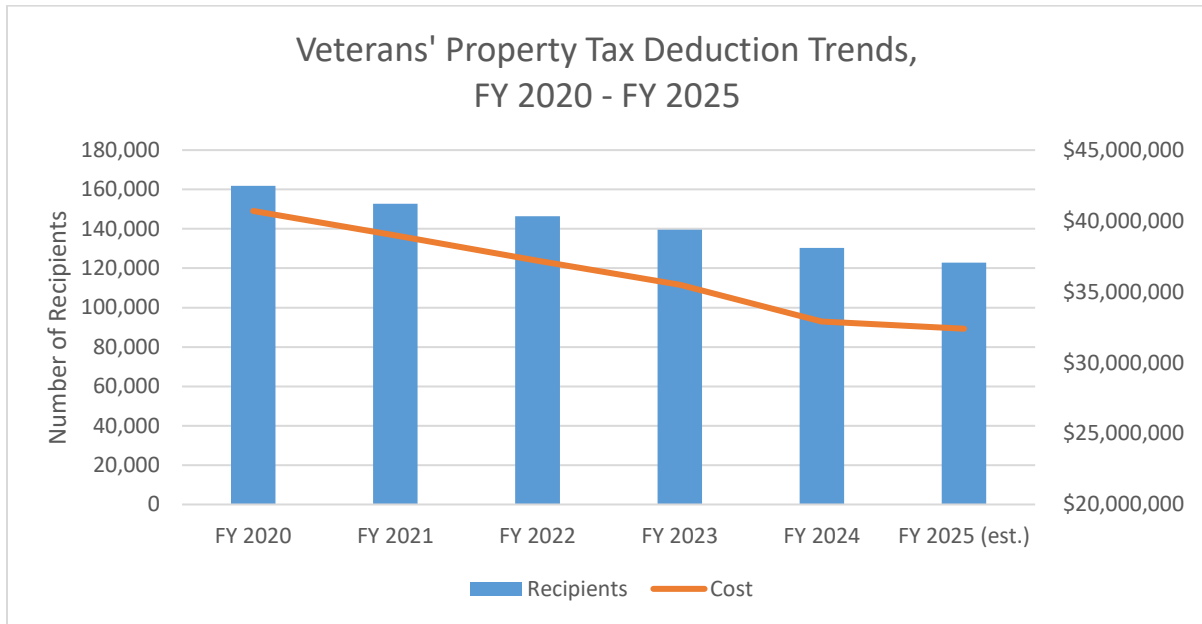
Veterans' Property Tax Deduction

Article VIII, Section 1, Paragraph 3 of the New Jersey Constitution provides a \$250 property tax deduction to veteran homeowners who were honorably discharged or released under honorable circumstances from active service in any branch of the Armed Forces of the United States, and their surviving spouses. The deduction is applied as a credit against the homeowner's property tax bill, which credits are usually applied against a recipient's third quarter, or autumn, tax bill. The State provides reimbursements to municipalities for 102 percent of the revenue loss that occurs from the credit, to cover the municipality's administrative expenses. The benefit level of \$250 has been in effect since tax year 2003.

As military service has become less common, the number of property taxpayers receiving a property tax deduction has decreased. In FY 1999, 344,000 claimants received deductions. In FY 2024, some 130,283 did so, and the department expects the number to decrease further to 122,911 in FY 2025. Prior to 2021, only veterans who served in time of war and their surviving spouses qualified for the property tax deduction. However, in November 2020, the voters approved an amendment to the New Jersey Constitution extending eligibility for the deduction to veterans who did not complete active service in time of war and their surviving spouses. The expansion of eligibility has not resulted in an increased number of recipients and the steady, long-term decline in the number of program participants is expected to continue.

The graph on the next page shows the decrease in the cost and number of veterans' property tax deduction claimants since FY 2020.

Background Paper: FY 2025 Direct Property Tax Relief Programs (Cont'd)



Stay NJ Property Tax Credit Program:

P.L.2023, c.75 established the Stay NJ Property Tax Credit Program to provide additional property tax relief to senior citizens. The program is expected to be first implemented in tax year 2026, with benefits paid from FY 2024, FY 2025, and FY 2026 appropriations. Consistent with the enabling law, the State appropriated \$100.0 million to pre-fund the Stay NJ Program in FY 2024, and the FY 2025 Governor’s Budget recommends \$200.0 million for this purpose.

Under the Stay NJ Program, a homeowner who is 65 years of age or older, with an annual gross income under \$500,000, will be eligible to receive a property tax credit. The amount of the credit would be equal to 50 percent of the property taxes paid on the person's principal residence in the prior tax year, except that the benefit may not exceed \$6,500 in tax year 2026, subject to annual inflationary increases thereafter, or the combined benefit received by the person under the Senior Freeze and ANCHOR programs for each year.

The Stay NJ Act creates the Stay NJ Task Force in the Department of the Treasury to develop recommendations for establishing and funding uniform property tax relief to all senior citizen homeowners and tenants making under \$500,000 per year. By no later than May 30, 2024, the task force is required to present a report to the Governor and the Legislature containing recommendations concerning: (1) the restructuring and consolidation of the various existing property tax relief programs into one streamlined program; and (2) any system improvement needed to implement the Stay NJ Program.

Under the Stay NJ Act, the initial implementation of the Stay NJ Program may be delayed if the Legislature fails to enact legislation, within no later than 90 days before July 1, 2025, to address or implement the recommendations of the task force’s report. Moreover, the Stay NJ Act also specifies that the implementation of the program may not impact the State’s ability to provide full funding for: the public education system; the veterans’ \$250 property tax deduction; the senior citizens’ and disabled persons’ \$250 property tax deduction; all required contributions to the State-administered retirement systems; and a budgetary surplus of 12 percent of total expenditures from the General Fund and Property Tax Relief Fund.