Discussion Points

Division of Taxation

1. In January 2022, the Division of Taxation awarded a contract to Revenue Solutions, Inc. for the **Tax Systems Modernization Project.** This undertaking will result in the replacement of the division's separate tax administration and collection systems, which date back to the mid-1980's, with a more versatile, integrated system. The department initially estimated that the project would cost $64.0 million over five years. In response to an FY 2025 OLS Discussion Point, the department noted that the Tax Systems Modernization Project was expected to be completed in early 2025, and that $25.0 million had been expended on the project.

- ***Questions:*** **Please provide an update on the implementation of the Tax Systems Modernization Project. Has the first phase been completed as anticipated in early 2025? What functionality has been delivered? What is the current total expenditure on the project, and does the department still anticipate completing the project within the original $64.0 million budget? What phases remain to be completed, and what is the timeline for full implementation?**

As reported in prior fiscal years, the Tax Systems Modernization project was awarded in early 2022 with a fixed budget of $85M based upon the bid proposals submitted. The first phase is in what is known as the cutover process, with the legacy system being wound down for phase one, and the new system, internally known as STAR in ramp up mode, with a May 14, 2025, launch date for the public.

Phase one includes the online portal for taxpayer use, providing real-time access to filing and payment options, a view of historical data, and the ability to request services for all tax types included in phase one.

The current total expenditures are approximately $38,000,000, with an accepted change order totaling $4,200,000, which will bring the total expenditure of the contract to just over $89,000,000, with the expectation to complete the project's four phases in FY2028.

The project is four phases in length, phase one is nearing completion, phase two is in process, and we expect the system to be fully implemented during FY2028.

2. Established by the FY 2023 Appropriations Act, the **Affordable New Jersey Communities for Homeowners and Renters (ANCHOR)** Property Tax Relief Program provides rebates to eligible homeowners and tenants. The Division of Taxation has implemented significant changes to the ANCHOR program to increase participation and accessibility. In 2024, the division automatically filed applications for approximately 1.5 million eligible taxpayers who previously received an ANCHOR benefit and instituted new identity verification procedures to combat fraud.

In response to an FY 2025 OLS Discussion Point, the department indicated that over 900,000 fraudulent returns were received during the FY 2024 period, which was a significant increase from the FY 2023 ANCHOR program. The Division of Taxation was working to partner with a vendor to assist with identity verification and improve efficiency in anti-fraud protection programs.

Discussion Points (Cont'd)

- ***Questions:*** **What steps has the department taken to address the increasing number of fraudulent applications submitted for the ANCHOR program? Has the department hired a vendor to assist with identity verification as mentioned in last year's responses? What has been the impact of these measures on reducing fraudulent applications in the most recent filing period? For the FY 2023, FY 2024, and FY 2025 ANCHOR Property Tax Relief Program, please provide the following data for the senior and non-senior homeowner and tenant populations, respectively: (1) distribution of rebates by income bracket; and (2) distribution of rebates by rebate amount.**

The Department procured a vendor specifically for identity validation, ID.me, resulting in a significant decrease in the ability of bad actors to file returns on behalf of legitimate taxpayers in an effort to steal their benefit.

The impact of the identity solution reduced the number of suspicious returns to 58,000 for tax year 2021 ANCHOR benefits and improved the efficiency of rebate processing for the public.

See Appendix A.

- **How many of the 1.5 million auto-filed applications were successfully processed? What has been the impact of the new identity verification procedures on reducing fraudulent applications? What was the total number of new applicants in 2024? What specific technological improvements were implemented to the ANCHOR program in 2024, and what were their results?**

Ninety-eight percent of the auto-filed applications were successfully processed.

The use of ID.me has significantly reduced the number of potentially fraudulent returns. For TY2020, there are currently over 765,000 returns identified as potential fraud, while for TY2021, there are currently only 58,000 returns identified as potential fraud.

There were 249,000 new filers in TY2021.

Taxation implemented products from Amazon Web Services within their call center phone system, providing taxpayers the ability to receive text messages about the program, providing links to the application, and improving hold/waiting messages to answer more questions without human intervention. Taxation also launched the identity verification system of ID.me, providing greater review and validation of new and existing filers.

3. In November 2024, the Legislature enacted P.L.2024, c.88 to provide for the implementation of the **STAY NJ property tax relief credit program** beginning in FY 2026 based on the recommendations of the final report published by Stay NJ Task Force. Under the program, eligible claimants aged 65 years or older, with income not greater than $500,000, are permitted to a maximum Stay NJ credit in an amount equal to 50 percent of an eligible claimant's property tax bill, not to exceed $6,500 in tax year 2026, with annual adjustment in future years based on the annual increase in the average residential property tax bill. However, in the event that an eligible claimant is eligible for the Stay NJ, Senior Freeze, and ANCHOR programs, then they will receive the Senior Freeze benefit first, the ANCHOR payment second, and the Stay NJ benefit

Discussion Points (Cont'd)

third. The Stay NJ benefit will provide the difference between the total amount of an eligible claimant's Senior Freeze and ANCHOR benefits and 50 percent of an eligible claimant's property tax bill. Although the benefits provided under the Stay NJ program are generally required to be paid in the form of property tax credits, P.L.2024, c.88 provides that these benefits are to be paid by check or direct deposit during the first year of the program.

The FY 2026 Governor's Budget recommends $280.0 million for the STAY NJ program, which, in addition to the $320.0 million of pre-funding appropriated for the program in prior years, is intended to fund half of the costs of provision of calendar year 2025 benefits under the program. According to Evaluation Data in the FY 2026 Governor's Budget, the Executive anticipates that 432,199 claimants will participate in the program, receiving an average benefit of $1,288 in FY 2026. In response to an FY 2025 OLS Discussion Point, the department indicated that it expected to need approximately 50 additional staff to administer the Stay NJ program.

- ***Questions:*** **What specific steps is the department taking to ensure that Stay NJ benefits are provided in the form of property tax credits after FY 2026 as required by the law? What are the main technical and administrative challenges in implementing the property tax credit system? Of the total direct property tax relief expected to be received by each Stay NJ claimant, how much is projected to come through the Senior Freeze and ANCHOR programs, respectively? How does the department plan to address any implementation issues identified in the first year when benefits are distributed by check or direct deposit? How many of the anticipated 50 additional staff positions for the STAY NJ program have been filled?**

Taxation's role in issuing Stay NJ benefits is limited. Taxation evaluates applications, determines eligibility, and provides the Division of Local Government Services (DLGS) within the Department of Community Affairs (DCA) a list of eligible applicants and credit amounts. DLGS acts as an intermediary to provide the data to municipalities.

Taxation's primary issues with issuing benefits as credits is that we do not have the ability to "credit" municipalities directly since there is no shared system or technology for the State's records to communicate with municipalities. Therefore, the effort of issuing credits requires that the DLGS act as an intermediary with the local tax offices. Another challenge occurs when an eligible applicant moves. If they do not notify the State, credits may already be scheduled to be applied against the former resident's tax bill. Additional detail on the challenges of implementing a credit can be found in the Stay NJ Task Force report (StayNJFinalTaskForceReport-c75.pdf).

As implementation issues arise, work groups will be created and dialogue among stakeholders will be paramount to addressing issue in implantation. Taxation will address those items as they arise and work to improve the operation each year, similar to how improvements have been made in the implementation of the ANCHOR program since inception.

Treasury HR and Taxation are in the process of interviewing and selecting candidates to bring on in the summer of 2025 for STAY NJ.

Discussion Points (Cont'd)

To date approximate 240,000 applications are received and in processing. We have not yet completed programs to determine which programs each applicant is eligible for, nor the funds they would receive.

4. As part of the Stay NJ Act, enacted in June 2023, the State modified certain eligibility requirements for the Senior Freeze Program, including increasing the income eligibility threshold, which was set at $163,050 for tax year 2023, and eliminating the 10-year residency requirement. In response to an FY 2025 OLS Discussion Point, the department anticipated that this program expansion would result in approximately 58,000 new participants and $13.0 million in additional program costs. However, the FY 2026 Governor's Budget indicates that the new participants in the program totaled roughly 107,000 in FY 2025, with an adjusted appropriation for the program of $215.4 million, or $33.6 million greater than the amounts appropriated in FY 2024.

- ***Questions:*** **What accounts for the greater number of new Senior Freeze participants in FY 2025 compared to the initial estimates for the program expansion? What factors caused the department's estimates to be lower than anticipated? What demographic changes have been observed in the applicant pool since eliminating the 10-year residency requirement?**

The program expansion is driven by many factors, with over 26,000 new filers who reached age 65 during this filing period. The changes in income and eligibility account for just over 81,000 new filers as well.

The estimates were likely lower than actual participation as a result of far more taxpayers meeting the income threshold including the statutory COLA adjustment coupled with the prior legislative increase in the income eligibility threshold to $150,000, as well as potential decreases in personal income, whether through investments, reduction in work/retirement income, or other factors – more so than the residency requirement change. The preliminary estimates were based on what was expected simply from the legislative change and not the other factors.

Taxation does not have the ability to determine demographic changes based on the filing of Senior Freeze applications

5. In January 2025, the Department of the Treasury issued a press release about the State's Earned Income Tax Credit (NJEITC) program, noting that while over 700,000 New Jersey residents are eligible for the program annually, approximately 25 percent of eligible taxpayers do not apply. The NJEITC has broadened in recent years, including increasing the credit amount, lowering the eligibility age to 18, and extending eligibility to seniors 65 and older without dependents. For 2024, the NJEITC is equal to 40 percent of the federal Earned Income Tax Credit.

- ***Questions:*** **Please provide data on the number of New Jersey residents who claimed the NJEITC in each of the past three tax years, the total amount of credits claimed, and the average credit amount per recipient. What specific outreach strategies has the Division of Taxation implemented to reach the estimated 25 percent of eligible taxpayers who do not apply for the credit? How does the department evaluate the effectiveness of these outreach efforts? Has the department conducted any analysis on the economic impact of the recent NJEITC expansions? If so, please explain.**

Discussion Points (Cont'd)

Note: The 2024 tax filing season is not yet complete as taxpayer returns are still being processed and the EITC benefit data is being compiled.

TY2024
EITC claims 533,262
EITC total $565,018,259.66
Average EITC $1,059.55

TY2023
EITC claims 666,396
EITC total $602,103,245.39
Average EITC $903.52

TY2022
EITC claims 637,186
EITC total $537,169,402.52
Average EITC $843.03

Taxation trains tax professionals and volunteer tax preparers on EITC eligibility and how to claim it for taxpayers. Taxation maintains web pages, creates EITC videos, and other social media postings, and notifies employers annually about EITC limits. Employers are required by law to identify employees that may be eligible and to provide the employees with basic EITC information. All EITC-related pages can be found on the Division's EITC hub: NJ Division of Taxation - NJ Earned Income Tax Credit (NJEITC) Some notable pages include:

1. EITC video: https://www.youtube.com/watch?time_continue=16&v=cJfyy6A2Q4s&feature=emb_title
2. Eligibility: NJ Division of Taxation - NJ Earned Income Tax Credit - Know NJEITC
3. Resources such as handouts: https://www.nj.gov/treasury/taxation/eitc/eitcaddinfo.shtml
4. FAQ: https://www.nj.gov/treasury/taxation/eitc/eitcfaq.shtml

The majority of filers appear to be aware of the EITC. Some taxpayers do not file a tax return for a variety of reasons. Non-filers appear to be the largest constituency that is not taking advantage of the EITC.

Taxation has not conducted an analysis of the economic impact of recent EITC expansion.

- **For FY 2024 and FY 2025, respectively, please provide a breakdown of the total number of recipients of the NJEITC, by age cohort and filing status, and the average credit amount for each cohort.**

See Appendix B.

6. As part of the FY 2026 Governor's Budget, the Executive proposed several tax policy changes, which the Executive estimates will increase State revenues by approximately $1.27 billion. These proposals include increasing the Assessment on Real Property Greater than $1.0 million (projected to generate $317.0 million), raising internet gaming and sports betting tax rates

Discussion Points (Cont'd)

to 25 percent (projected to generate $402.4 million), broadening the tax base under the Sales and Use Tax (projected to generate $277.1 million), and increasing the Social Equity Excise Fee on cannabis from $2.50 to $15 per ounce (projected to generate $70.0 million).

- ***Questions:*** **For each of the Executive's major tax policy recommendations, what specific economic impact analyses has the department conducted? How do these analyses account for potential changes in consumer behavior and market dynamics? Has the department conducted industry-specific assessments to determine potential impacts on employment and business operations in affected sectors?**

Consumer behavior and business operations are not expected to shift measurably due to these tax policy proposals. Conventional wisdom is that price elasticity is not significant in the short run that would be captured in the FY2026 budget proposal. Price elasticity may be higher over the long run, so future fiscal years may feel the effects more as consumers have a longer period of time to adapt and consider these changes. However, the proposed changes keep New Jersey competitive with comparable tax rates in the region, and the effective price changes are expected to be minimal.

Under the cigarette tax proposal, the Executive used consumption data estimated for FY2026 under the current $2.70 per pack tax and applied the proposed 30 cent increase to $3.00 per pack, or an effective after-tax price change of less than 3.0 percent per pack. The price increase is relatively small and the proposed tax rate will be well below the $5.35 per pack tax rate in New York and only slightly above the $2.60 tax rate in Pennsylvania.

Likewise, growth in the legal cannabis market has been strong, generally rising at an annualized rate of about 50 percent in the most recent quarters. The tax rate increase is estimated as effectively an after-tax price increase of approximately 4.2 percent, a relatively small price change that suggests only minor behavioral impacts, if any.

New Jersey's proposed internet sports wagering tax rate of 25 percent would be below Pennsylvania (36 percent) and New York (51 percent). Moreover, it bears repeating that the proposed gaming taxes are imposed on the revenues ("profits") that casinos and sportsbooks generate from wagers that they win, not directly on the winnings of customers. Again, any potential consumer or business behavior change are anticipated to be minimal.

7. Under current law, the department administers several special funds through which gross income taxpayers may elect to dedicate a portion of their tax return to support various efforts related to the provision of housing and other related assistance for veterans. These special funds include the Homeless Veterans Grant Fund, the Fund for the Support of New Jersey Nonprofit Veterans Organizations, and the New Jersey Yellow Ribbon Fund.

- ***Question:*** **In each of the last five years, how much funding was provided through voluntary taxpayer contributions for each special fund to support housing or other assistance for veterans?**

See Appendix C.

Discussion Points (Cont'd)

8. In New Jersey, the State *generally* taxes an employee's compensation based on the location where the work was done, regardless of whether the location is at the convenience of the employee or the employer. For instance, an employee who is assigned by the employer to work at a location in New Jersey, but chooses to work at home outside of the State three days a week, will be taxed by New Jersey only for the two days the employee works in the State. However, other states, such as Delaware, Nebraska, and New York, implement a "convenience of the employer" rule with respect to the taxation of employee compensation. Under this system, the state taxes a nonresident employee's compensation based on the employer's assigned location even if the employee is working from an out-of-state location (e.g., at home in their resident state) for the employee's own convenience rather than for the necessity or convenience of the employer. Accordingly, if a New Jersey resident employee is assigned by their employer to work at a location in such a state, and the employee chooses to work at home in New Jersey three days a week, this state would tax all five days of compensation paid to the employee.

P.L.2023, c.125 established a "convenience of the employer" rule for nonresident income tax sourcing in New Jersey. The law applies the same sourcing rule that states like Delaware, Nebraska, and New York use, requiring employee compensation to be sourced to New Jersey when a nonresident employee of a New Jersey-based employer works remotely from their home state for their own convenience rather than the employer's necessity.

- ***Questions:*** **How much additional State revenue has been generated by the convenience of the employer rule since its implementation? What has been the Division of Taxation's experience in implementing this rule? How many nonresident taxpayers have been affected by the convenience of employer rule? Has the division issued guidance to employers and employees to assist with compliance? Has the implementation of this rule resulted in any interstate tax agreements or litigation?**

Due to the nature of the convenience of the employer rule, which is that it is only applicable in specific instances which include when a nonresident employee of a NJ-based employer works remotely from their home state for their own convenience rather than the employer's necessity, the Division is not able to directly track the State revenue generated and the number of nonresident taxpayers impacted from the establishment of the rule.

The Division has had no significant issues implementing the rule; except for the ability to track impacts.

The Division has identified that for tax year 2023, the first year that the convenience rule was effective, that there are 144,897 nonresident taxpayers from New York, Delaware, and Nebraska (136,853 from New York) that have reported NJ wage income and may be impacted by the convenience of the employer rule. Of that nonresident pool, due to the nature of the rule as discussed above, the Division is not easily able to identify what percentage of those taxpayers have been directly impacted.

Yes, the Division has posted guidance on its website explaining the convenience of the employer rule as well as a Frequently Asked Questions (FAQ) page based on commonly asked taxpayer and tax practitioner questions. Please see https://www.nj.gov/treasury/taxation/conveniencerule.shtml and https://www.nj.gov/treasury/taxation/conveniencerulefaq.shtml. Additionally, the Division has

Discussion Points (Cont'd)

updated its New Jersey Income Tax Withholding Instructions (NJ-WT) and relevant New Jersey gross income tax form instructions to include guidance on the application of the new rule.

No interstate tax agreements have resulted. There is no known litigation pending about New Jersey's employer convenience rule.

9. P.L.2023, c.125 established a refundable gross income tax credit for New Jersey resident taxpayers who obtained a final judgment, from the tax court or tribunal of another state or jurisdiction, in the resident taxpayer's favor resulting in the resident taxpayer being refunded taxes paid to that state or jurisdiction on the basis that the income was derived from services rendered while the resident taxpayer was in New Jersey. The credit would be equal to 50 percent of the amount of taxes that are owed to New Jersey as a result of the adjustment of New Jersey's credit for taxes paid to another state. The credit was available for tax years 2020 through 2023.

- ***Questions:*** **How many New Jersey residents have successfully claimed this refundable credit? What is the total number of credits, and the amount of tax credits provided to the taxpayer, respectively, in each tax year the credit was available? What guidance has the Division of Taxation provided to assist taxpayers in challenging another state's tax assessment? What is the estimated impact of the credit on State revenues?**

There has been one credit issued in the amount of $7,797.02, and it was from tax year 2020.

The Division posted guidance and instructions for obtaining the credit on its website not long after the law was passed in September 2023.
Please see https://www.nj.gov/treasury/taxation/individuals/refundablegitcredit.shtml

We do not have any specific data regarding pending cases and possible dollar amounts of credits that may be requested in the future.

Division of Investment

10. The New Jersey Secure Choice Savings Program Act established the **New Jersey Secure Choice Savings Program** in, but not of, the Department of the Treasury. The act requires employers with 25 or more employees to participate in a retirement savings program administered through automatic payroll deductions, allowing employees of small businesses to save for retirement. After its launch, the program was renamed the **RetireReady NJ** Program.

The FY 2025 Appropriations Act provided $3.5 million for the New Jersey Secure Choice Savings Program. An additional $507,000 was carried forward from the prior fiscal year. These funds support administrative services provided by the department and payments for legal services provided by the Department of Law and Public Safety's Division of Law. About $1.9 million of the available funds remain uncommitted and $2.1 million remain unexpended, as of April 21, 2025. The
FY 2026 Governor's Budget includes a General Fund appropriation of $4.0 million to the Division of Investment for the program. The Executive also proposes budget language

Discussion Points (Cont'd)

authorizing the appropriation of unlimited, unspecified additional amounts to support the implementation costs of the Secure Choice Savings Program (P.L.2019, c.56).

The department fully launched the RetireReady NJ Program in July 2024. On December 4, 2024, the department issued a press release indicating that participating employees have collectively contributed $1.0 million towards their retirement savings since the program's launch.

- ***Questions:*** **Has the RetireReady NJ program been fully implemented as scheduled? What has been the response from employers and employees? How many employers have registered with the program, and how many employees are currently participating? What is the average contribution rate for participating employees? What challenges has the program faced during implementation, and how have these been addressed? How many employers are currently registered with the RetireReady NJ program, and what percentage of eligible employers does this represent? What has been the response from the business community to the mandatory registration requirement? What is the current opt-out rate among eligible employees? What is the timeline for the program to become self-sustaining through administrative fees?**

The New Jersey Secure Choice Savings Program is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the Program Executive Director.

The program launched on June 30, 2024. There are still aspects of the program under development, including but not limited to, final regulations, program operations and controls, and enforcement for non-compliant employers. These aspects will be implemented over time.

The program has received a positive response from both the employers and employees. The employer community has described the program as easy to use and not burdensome. Employers who have chosen to implement a private retirement plan have described the exemption process as simple and fast. Many employees have also expressed their appreciation for having access to a quality retirement savings vehicle that is easy to use.

There are currently 1,186 employers registered with the program. This has led to 15,277 employees saving for retirement.

The average contribution rate for participating employees is 3.19%.

Accessing employer data is a critical element in administering the program. The program worked with the Department of Labor and Workforce Development to access certain necessary data for the covered employers. While this has been a productive partnership, there are other data held by other agencies that improve program administration.

Another challenge has been engagement and communications with employers and employees. The program has implemented a variety of communication methods, including in-person events, mailings, webinars, social media, and conventional advertisements including radio and television ads, as well as a visual campaign on NJ Transit buses. The program continues to build upon these communication efforts and find new methods of outreach to the employers and employees of New Jersey.

Discussion Points (Cont'd)

At its inception, the program identified 13,389 employers that were covered by the act. We have facilitated the registration of 1,186 employers and received exemptions for 6,789 employers. This represents 60% of the eligible employer community.

Generally, the response from the business community has been positive. Some employers have been early adopters, with others choosing to open and sponsor their own retirement plan in lieu of facilitating RetireReady NJ. For employers who have been required to exempt because they have private retirement plans, the exemption process has been described as easy.

Among eligible employees, the program has a 19.28% opt out rate within the first 30 days.

In the short history of state-administered auto-enroll IRA programs, no state has yet balanced their income and expenses. It will take at least several more years to reach budget-neutrality under the current statutory fee structure.

11. According to an October 2024 press release, New Jersey's Pension Fund generated a final, unaudited return of 10.74 percent for the 12-month period ended June 30, 2024, exceeding the long-term assumed rate of return by 3.74 percent. Notable performance was reported across multiple asset classes, including U.S. Equity (23.29 percent), Non-U.S. Developed Market Equity (11.67 percent), Emerging Market Equity (10.56 percent), and Risk Mitigation Strategies (10.82 percent).

- ***Questions:*** **What specific investment strategies contributed to the notable performance of the Pension Fund in FY 2024? How does the 10.74 percent return compare to other public pension funds of similar size? What is the current asset allocation strategy of the Pension Fund? How has the total value of the Pension Fund changed over the past five years, and what impact has this had on the overall funding ratio?**

The Pension Fund portfolio has long term assets and long-term liabilities. As such, investments in the portfolio are generally managed with a long-term perspective and outlook and not in response to specific market events.

While investing for the long term, at times and where feasible, the Division will look to make minor tweaks on a tactical basis in order to reflect market opportunities and risks. In order to structure the portfolio in a cautiously optimistic posture, throughout fiscal year 2024, the portfolio allocated less capital to risk assets and maintained a meaningful overweight to cash equivalents. On average, the portfolio had an allocation of approximately 8% to cash equivalents. A more conservative risk profile however did not prevent the portfolio from generating a double-digit return for FY2024. The thought process and tactical investment strategy during the fiscal year was to reduce overall portfolio risk and to increase liquidity and "dry powder" in the event the market environment turned negative. At the same time, we viewed U.S. equity markets to be well-positioned due to a strong economic backdrop, an optimistic corporate earnings outlook and robust consumer sentiment. As such, the portfolio remained fully invested (at or close to target) in U.S. equities while continuing to reduce risk in other parts of the portfolio. This resulted in the portfolio benefiting from stellar gains in U.S. equities which delivered the strongest performance as compared to other asset classes in the portfolio.

Discussion Points (Cont'd)

Below please find FY2024 performance contributions by asset class. All asset classes delivered positive returns, with the exception of real estate, which was slightly negative in what has been a challenging environment for real estate as an asset class.

It is important to note that no two pension fund portfolios are managed alike due to differences in risk and return profiles and objectives. The NJ Pension Fund portfolio is managed according to an asset allocation plan which is suitable and specific to its risk and return profile while also taking into consideration the overall funding ratio. Managing volatility is an important part of the objectives as that can impact annual contribution requirements. Therefore, comparing pension fund performance even when limiting it to similar asset size may be less useful.

Pensions & Investments, a prominent and well-respected publication in the investment industry, compiles a list of U.S. public pension fund returns on an annual basis. There are currently 92 U.S. public pension funds listed with performance for fiscal year 2024. Relative to NJ Division of Investment, there are only 6 U.S. public pension funds that manage assets of $50 billion or more that generated performance greater than the 10.74% generated by the NJ Division of Investment. If we lower the threshold to pension funds managing $25 billion or more, there are nine pension funds that generated a return greater than the NJ Pension Fund portfolio during FY2024.

Below, please see NJ Pension Fund Portfolio asset allocation as of March 31, 2025.

Asset Class (As of March 31, 2025)	Current Allocation	Target	Over/Under Weight
GLOBAL GROWTH	**54.26%**	**60.50%**	**-6.24%**
U.S. Equity	26.14%	28.00%	-1.86%
Int'l DM Equity Composite	13.04%	12.75%	0.29%
Int'l SC Equity Composite	1.19%	1.25%	-0.06%
EM Equity Composite	3.08%	5.50%	-2.42%
Private Equity	10.82%	13.00%	-2.18%
REAL RETURN	**8.63%**	**11.00%**	**-2.37%**
Real Estate	6.10%	8.00%	-1.90%
Real Assets	2.53%	3.00%	-0.47%
INCOME	**18.58%**	**19.50%**	**-0.92%**
High Yield Composite	4.38%	4.50%	-0.12%
Private Credit	7.28%	8.00%	-0.72%
Investment Grade Credit Composite	6.93%	7.00%	-0.07%
DEFENSIVE	**18.27%**	**9.00%**	**9.27%**
Cash Equivalents	12.23%	2.00%	10.23%
U.S. Treasuries	4.30%	4.00%	0.30%
Risk Mitigation Strategies	1.74%	3.00%	-1.26%
OTHER	**0.27%**	**0.00%**	**0.27%**
TOTAL	**100.0%**		

Below please see net assets (in $ billion) as of each fiscal year end.

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Fiscal Year	Net Assets ($ billions)
2024	69.5*
2023	93.2
2022	87.5
2021	95.7
2020	76.7
* In April 2024, Division of Investment trasferred assets to PFRSNJ	

It should be noted that in April 2024, the Division of Investment transferred assets to be managed by the Police and Firemen's Retirement System of New Jersey as part of its implementation of P.L. 2018, c. 55. As a result, total Pension Fund assets reported at the end of fiscal year 2024 excluded these transferred pension fund assets and therefore appear smaller than in prior fiscal years.

The funding ratios of the State and local pension systems are calculated using an actuarial value of assets that smooths annual investment gains and losses. Each system's funded ratio is calculated by dividing actuarially determined assets by the value of pension liabilities. Increases in assets contribute to an increase in the funded ratio. Below are the combined funded ratios for the State and local pension systems over the last five years.

Office of the State Comptroller

12. In a December 2024 report, the Office of the State Comptroller (OSC) investigated South Jersey Extended Care (SJEC), a for-profit nursing home that received approximately $35.6 million in Medicaid funding over a five-year period. The investigation revealed a pattern of waste and abuse of public funds, financial mismanagement, disregard of federal and state oversight requirements, and substandard care.

- ***Questions:*** **What specific findings from the SJEC investigation have broader implications for oversight of nursing homes across New Jersey? Has the OSC conducted or initiated additional investigations of other nursing homes showing similar patterns of financial exploitation? What recommendations has the OSC made to strengthen State oversight of Medicaid-funded nursing facilities, and what progress has been made in implementing those recommendations across relevant State agencies?**

The Office of the State Comptroller is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers were provided by the Comptroller's office.

OSC's SJEC investigation report included many observations about the implications of related-party transactions in the nursing home industry. These include:

- Overlapping business interests between nursing home and vendors;
- Similar quality/performance concerns with out-of-state nursing homes currently or previously owned by individuals who own NJ nursing homes;
- Concealment of related parties, and the extensive use of related parties to provide services;
- Poor quality of care results when Medicaid payments are diverted from patient care to benefit owners;

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- Personal profits as compared to business profits/performance (high personal profits / no to low business profits);
- Consistent staffing shortages;
- Failure to adequately staff facility with properly licensed individuals in key roles; and,
- Paying fees to related entities that exceed the related parties' costs for the goods or services.

OSC's observations were supported by investigations of other nursing homes that revealed similar patterns of improper conduct, including financial exploitation of Medicaid funds. OSC cannot share additional information on ongoing investigations.

Section 6 of OSC's SJEC investigation report included policy recommendations to address these issues and guard against fraud, waste, and abuse in nursing homes. Among other things, this includes recommended reforms to P.L.2021, c.95 that would extend DOH's authority over nursing home transfer of ownership applications to encompass real estate and other property interests, and empower DOH to better monitor nursing homes that may be in financial distress.

OSC is not aware of progress by other state agencies in implementing these recommendations.

13. In March 2022, the OSC announced the launch of the **Police Accountability Project** to review State and local law enforcement agencies. On January 9, 2025, the OSC released a supplemental report finding that 377 New Jersey police departments and law enforcement agencies together paid more than $1.0 million for private police training hosted by Street Cop Training, a company previously found by the OSC to have taught discriminatory and likely unconstitutional tactics. A December 2023 report by OSC's Police Accountability Project revealed that Street Cop Training's 2021 training conference taught dangerous, improper, and potentially illegal policing tactics. After the initial report, the New Jersey Attorney General required that all New Jersey attendees be retrained and instructed that New Jersey officers should not attend any Street Cop Training courses in the future.

- ***Questions:*** **Please provide an update regarding the Police Accountability Project's ongoing work to address problematic police training identified in the OSC Street Cop Training investigations. What mechanisms does the OSC recommend to ensure appropriate oversight of private police training programs before taxpayer money is spent on them? What follow-up action has been taken to verify that law enforcement entities have actually implemented the retraining required by the Attorney General?**

The Office of the State Comptroller is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers were provided by the Comptroller's office.

In OSC's Supplemental Report on the High Price of Unregulated Private Police Training (Jan. 9, 2025), the Police Accountability Project reiterated its previous recommendations as set out in the December 2023 Report, including the recommendation that post-academy police training should be regulated. At the time of the supplemental report, multiple police departments emphasized to OSC that they had been unaware of the deficiencies with the training provided by Street Cop and lacked effective mechanisms and resources to vet appropriate police training for their officers. This underscores that the need for a dedicated entity to oversee post-academy training, including establishing uniform

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standards and reviewing and approving training courses provided by private companies, instructors, and vendors who receive public funds in New Jersey. In terms of the retraining that was required by the Attorney General, OSC was advised but has not independently verified that the retraining was completed by all officers who attended the 2021 Street Cop Conference. OSC's Police Accountability Project's investigation into private police training remains ongoing.

14. In September 2024, the OSC released a report evaluating compliance with the requirement under the New Jersey Employer-Employee Relations Act that public employers file current union contracts with the Public Employment Relations Commission (PERC). The report found widespread noncompliance, with approximately 64 percent of school districts and 27 percent of municipalities having failed to provide PERC with even one current collectively bargained employee contract as of 2021. The report noted that PERC has taken a passive approach to enforcement, enabling public employers to avoid compliance with this transparency requirement.

- ***Questions:*** **What progress has been made since the release of the September 2024 OSC report to improve local government compliance with the requirement to file union contracts with the PERC? Does the OSC recommend any changes to State law to strengthen compliance mechanisms or oversight in this area? How has this lack of transparency regarding collective bargaining agreements impacted the OSC's ability to conduct effective oversight of labor costs, which typically represent the largest expenditure category for local governments?**

The Office of the State Comptroller is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers were provided by the Comptroller's office.

Since the issuance of the report, of the 17 municipalities that had never submitted contracts or had not submitted contracts since 2010, approximately 30 percent (5 municipalities) have submitted current contracts to PERC. Of the 75 school districts that had never submitted contracts or had not submitted contracts since 2010, approximately 13 percent (10 school districts) have submitted current contracts to PERC. This number is expected to rise as contracts are renewed in the future. Of those municipalities and school districts that had complied with the statute in the past, we will review whether they continue to comply with the law. We note that there does not appear to be any changes made to PERC's processes regarding notice or training to ensure local government compliance with the law.

At this time, OSC does not recommend any changes to state law. However, upon any review of the implementation in the future, OSC may make further recommendations to strengthen compliance.
Lack of transparency has not affected OSC's ability regarding oversight given the statutory requirement of all executive branch entities to cooperate with OSC and OSC's statutory subpoena power. However, the lack of transparency still impacts both the public at large as well as both the surrounding local governments and employees of those governments to effectively evaluate and negotiate future collective bargaining agreements.

15. The OSC conducted investigations and published reports on various state programs and public institutions throughout 2024. Among other activities, the office has examined the use of

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Medicaid funds, police training practices, and public agency compliance with transparency requirements.

- ***Questions:*** **What major investigations or audits has the Office of the State Comptroller conducted in FY 2025 to date? What significant savings or recoveries has the office achieved for taxpayers through its oversight efforts? How have State departments and agencies responded to the findings and recommendations in recent OSC reports? What are the office's top priorities for investigation and oversight in FY 2026? How many OSC investigations were prompted by tips or complaints received from the general public?**

The Office of the State Comptroller is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers were provided by the Comptroller's office.

In FY 2025 so far, OSC has issued, among others, the following investigation and audit reports, which are available on OSC's website:

Union County Compensation Law Compliance Letter
OSC issued a follow-up letter related to a FY 2024 letter that Union County had improperly awarded compensation to some top officials without passing the statutorily required ordinance. That letter, which was directed to the Governor and the respective heads of the legislative chambers, addressed Union County's refusal to develop a corrective action plan as directed in the FY 2024 letter. Union County was not responsive to OSC's findings and recommendations and declined to execute our recommended corrective action.

Berlin Township and Pennsauken School District Follow-up Audits
Berlin Township made significant progress, implementing recommendations to sell unused properties and improve insurance benefits management, generating $380,000 in revenue. Pennsauken School District showed limited progress, with issues remaining in health benefits cost analysis, stipend payments oversight, and inventory management.

Educational Services Commission (ESCNJ) of New Jersey Audit
The audit identified that ESCNJ accumulated a $69.6 million surplus without a plan to use or return funds to school districts and municipalities. This leads to higher costs to local governments and ultimately, taxpayers. ESCNJ agreed to perform an analysis of the fund balance to determine/maintain the appropriate fund balance reserve. Additionally, ESCNJ improperly awarded $14.6 million in contracts without competitive bidding. OSC's recommendations aim to ensure compliance with procurement laws and reduce taxpayer costs.

Parsippany-Troy Hills Investigation:
OSC published a report finding that Parsippany-Troy Hill Township improperly used the emergency exception to public bidding, leading to approximately $1.3 million in unlawful spending. The Township was generally receptive to OSC's findings and recommendations and committed to internal training to ensure contracts are procured in accordance with the Local Public Contracts Law.

Investigation on Use and Abuse of Discretion in Declining to Enforce Motor Vehicle Violations

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OSC reviewed body worn camera footage of 501 no-enforcement stops by New Jersey State Police—meaning stops where New Jersey State troopers did not issue tickets or make arrests. Among other things, OSC found that New Jersey State Police troopers routinely gave preferential treatment to certain motorists who presented a courtesy card or asserted a personal connection to law enforcement—even when motorists were suspected of dangerous offenses, like drunk driving.

Supplemental Police Training Report
OSC found that 377 New Jersey police departments and law enforcement agencies together paid more than $1 million for private police training hosted in 2021 by Street Cop Training, a company previously found by OSC to have taught discriminatory and likely unconstitutional tactics. OSC also found that at least 32 New Jersey police departments and agencies were repeat customers spending funds on Street Cop Training even after officers attended the 2021 Conference.

PERC Transparency Compliance Review
A review by the Office of the State Comptroller found a majority of school districts and more than one in four municipalities failed to comply with a requirement to submit current union contracts to the New Jersey Public Employment Relations Commission (PERC). The review advocates for better compliance to ensure public access to contract information.

Economic Development Authority (EDA) Follow-Up Audit
OSC's 2025 follow-up review of EDA examined incentive awards made in 2022 and 2023 and found EDA had clawed back $3.4 million that had been improperly awarded in 15 projects. The bulk of the awards—about $2.5 million—was for Business Employment Incentive Program tax credits given to three projects. OSC's 2019 audit found EDA used incorrect data to calculate the awards and directed EDA to recoup funds. OSC found that EDA made substantial progress in implementing recommendations made in OSC's 2019 audit and more than $100 million in taxpayer funds was saved overall as a result of improved processes.

South Jersey Extended Care Investigation
OSC's investigation exposed extensive fraud, waste, and abuse at South Jersey Extended Care, where owners funneled millions in Medicaid funds into personal businesses while neglecting resident care. OSC suspended various responsible parties from Medicaid and is pursuing additional remedies. The report also highlighted systemic vulnerabilities in Medicaid-funded nursing homes in New Jersey.

Audits of Atlantic Diagnostic Lab and Star Lab
OSC issued audit reports of Atlantic Diagnostic Lab which identified an overpayment amount of $7.3 million for failing to maintain supporting documentation and failure to comply with state regulations; and a report regarding Star Lab, an independent clinical laboratory, which identified an overpayment of $3.3 million for failure to maintain supporting documentation for its billing.

Other Medicaid-Related Investigations and Recoveries
OSC completed an additional 9 Medicaid fraud-related investigations in FY 2025 to date. These included Ace Pharmacy Rx, overpayment amount of $296,887, for failing to have inventory on hand to fill prescriptions billed to the Medicaid program; Pinnacle MRI, overpayment amount of $227,339, for providing services without an active facility license; and an investigation of a home health provider (later referred for criminal investigation), overpayment of $766,023, for failing to have documentation to support the services billed.

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To date, OSC has recovered more than **$78 million in improperly spent Medicaid funds in SFY 2025** and is on track to recover over $100 million by the end of the fiscal year.

Review of Cost Savings Related to Independent Clinical Labs
MFD's independent clinical laboratory audits identified that the NJ Medicaid program had allowed virtually indiscriminate billing for presumptive and definitive claims, without consideration of reasonable constraints on these services. MFD's audits found that referring providers and laboratories had constructed a course of dealing through which referring providers failed to follow relevant regulations by submitting individualized requests for drug tests and instead submitted "blanket' or one-size-fits-all drug test requisition forms so that all patients referred to the labs by drug treatment facilities and/or providers were subjected to an identical battery of drug tests, regardless of their individual medical needs. OSC found that this resulted in the Medicaid program paying for excessive, unnecessary, and expensive tests. In addition, MFD found that clinical laboratories were billing excessively for "definitive" drug testing.

In April 2021, after MFD had notified the Division of Medical Assistance and Health Services (DMAHS) of these issues, DMAHS issued formal guidance to providers, including drug treatment facilities and independent clinical providers, to reform and greatly reduce the use of presumptive and definitive tests. MFD recently conducted an analysis to estimate the cost savings that resulted from this change and found that the State likely achieved roughly **$88 million in cost savings** over a two-year period from 2021 to 2023.

In FY 2025, OSC has collectively initiated 112 investigations based on tips or complaints received from the general public.

Division of Pensions and Benefits

16. Established by Executive Order No. 138 (2013), the department's **Pension Fraud and Abuse Unit** is charged with the prevention and investigation of fraud and abuse of the State's pension and benefits systems, including the payment of retirement, disability, and other benefits. The unit investigates public pension claims, including disability pension claims, and claims of improper participation in the State's retirement systems and potential fraud and abuse in other benefit systems.

On November 10, 2021, the Office of the State Comptroller released a report examining the division's oversight of improper participation in the Public Employees' Retirement System (PERS). Among its findings, the OSC report concluded that the unit has a backlog of cases regarding professional service providers who may be improperly enrolled in PERS and that the unit has not investigated whether State and local authorities, commissions, fire districts, and boards have improperly enrolled professional service providers in PERS. The report also concluded that the division should conduct a cost-benefit analysis to evaluate the appropriate level of additional staffing necessary to achieve the greatest amount of savings to the State from the prevention of fraud and abuse.

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In response to an FY 2025 OLS Discussion Point, the department noted that the backlog of Chapter 92 cases, involving investigations of possible improper enrollment in PERS of professional service providers, stood at 176, down from 214 at approximately the same time the previous year. A cost-benefit analysis was expected to be completed in FY 2025.

- ***Questions:*** **What is the current backlog of Chapter 92 cases involving potential improper enrollment of professional service providers in PERS? Has the unit completed its cost-benefit analysis regarding staffing levels? If so, what were the findings and what actions have been taken as a result? What is the total amount of potential savings identified through the unit's investigations in the most recent fiscal year? Has the unit received any additional statutory investigative or enforcement authority as recommended in the Comptroller's November 2021 report?**

The Pension Fraud and Abuse Unit (PFAU) provides significant contributions to the Department of Treasury, Division of Pensions and Benefits (DPB), State's pension systems and benefit programs, and approximately 900,000 active and retired members, by working to prevent, detect, investigate, mitigate, and report fraud and abuse. The backlog of Chapter 92 cases, i.e., investigations of possible improper enrollment in PERS of professional service providers, stands at 168, close to the same amount conducted at this time last year. A total of 14 Chapter 92 cases were closed during the past year, while 6 new cases were added due to public referrals through PFAU's fraud reporting mechanisms.

PFAU staffing needs are being analyzed. . The closing of Chapter 92 cases during 2024 resulted in potential savings of $2.2 million. Additionally, cases involving potential savings of $15.6 million are awaiting court and PERS Board of Trustee hearings, up from $14 million noted in the FY 2025 OLS Discussion Points on this topic. The PFAU's investigation of Chapter 92 matters from its inception in 2013 through December 31, 2024, has resulted in an estimated total savings of $66.6 million, not inclusive of the $15.6 million awaiting court and PERS BOT hearings.

The lack of sufficient statutory investigative and enforcement authority continues to significantly impede PFAU's work in all areas of investigative focus. In addition to increasing PFAU's staffing levels, acquiring this enforcement authority, as recommended in the Comptroller's November 2021 report, would enhance the thoroughness, efficacy, and speed of PFAU's investigations and case closures while maximizing the protection of at-risk financial assets.

Division of Property Management and Construction

17. The **Executive Branch Office Space Review and Recommendations** were transmitted to the Legislature on January 31, 2023. The report concluded that it would be highly speculative to develop ranges for reductions of office space or cost savings based upon the implementation of a teleworking or hoteling workspace office plan that has not yet been developed. The report did note that in 2020, the federal government reported that 26 percent of the savings it achieved from its telework policy (implemented beginning in 2010) were derived from reduced costs for rent, office space, and utilities.

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In response to an FY 2025 OLS Discussion Point, the department noted that it had engaged Boston Consulting Group to develop a strategic plan for the management of the State's office space portfolio. At the time of the response, the plan was not yet finalized.

- ***Questions:*** **Has the Boston Consulting Group finalized its report on the State's office space portfolio? If so, what are the key findings and recommendations of the report? What specific actions has the Division of Property Management and Construction taken to implement the recommendations? Has the department identified specific targets for office space reduction or cost savings as a result of this review?**

Boston Consulting Group has finalized its report on the State's office space, which is now available online at https://nj.gov/treasury/dpmc/Assets/Files/spaceassessment.pdf. The assessment finds that many of the State's current spaces do not fully serve the needs of the modern workforce. With the appropriate and necessary investments of budget and resources required to improve and modernize the State's office space, BCG estimates that up to 25 percent of current office space could be reduced and/or repurposed in the long term. BCG recommended three categories for DPMC to pursue:

1) develop a portfolio-wide optimization strategy and action plan
2) improve the space acquisition process
3) invest in technology enablers.

DPMC has taken prompt action to implement the consultant's recommendations by aligning all new Space Planning Requests from agencies with modern standards, including adding hoteling formulas, and significantly reducing cubicle and office sizes. In addition, DPMC has initiated the digitization of key division processes, most notably the Space Planning Request form and the introduction of an online bidding platform for landlords. Initial efforts by DPMC have focused on implementing best practices. DPMC is in the process of identifying specific targets for office space reduction and cost savings.

18. P.L.2015, c.116 established a State contract set-aside program for disabled veterans to be administered by the Department of the Treasury. The law established a goal that contracting agencies set aside at least three percent of their contracts for disabled veterans' businesses. The law defines a "disabled veterans' business" as a business which has its principal place of business in the State, is independently owned and operated, and at least 51 percent of which is owned and controlled by persons who are disabled veterans, or a business which has been officially verified by the U.S. Department of Veterans Affairs as a service-disabled veteran-owned business.

- ***Questions:*** **What percentage of State contracts have been awarded to disabled veterans' businesses in each calendar year from 2016 through 2024? What percentage of State contracts has been awarded to disabled veterans' businesses in calendar year 2025, to date? What assistance is the Department of the Treasury providing to State contracting agencies that are not meeting the set-aside goal? What efforts has the department made to increase awareness among the owners of disabled veterans' businesses of State contracting opportunities?**

As amended, P.L.2015, c.116 established a goal that contracting agencies consider a contract set-aside of at least three percent for service-disabled veteran-owned businesses (SDVOB) whenever the contracting agency can establish a reasonable expectation of obtaining bids from at least two qualified eligible businesses within the same commodity code.

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Agencies currently report SDVOB utilization by fiscal year. Information on the percentage of State contracts awarded to SDVOB is not available prior to FY2021. The percentages from FY2021 to FY2024 are as follows:

FY2021	0.54%
FY2022	0.98%
FY2023	0.12%
FY2024	0.52%

Agencies are not required to report their data until six months after the close of the fiscal year. Therefore, the percentage of State contracts awarded to SDVOBs in calendar year 2025 is not yet available.

Treasury and the Office of Diversity and Inclusion (ODI) engages in one-on-one meetings with agencies who require assistance in developing action plans to achieve their SDVOB goals. Meetings include identifying opportunities for greater SDVOB vendor outreach and developing action plans and strategies to increase SDVOB utilization. ODI and Treasury also provide agency training on how to utilize State resources and tools to identify SDVOBs for procurement opportunities when using delegated purchasing authority.

Treasury and ODI maintain a collaborative and supportive relationship with the NJ State Veteran Chamber of Commerce and work together on outreach efforts and events throughout the year. ODI also works with agencies to develop plans to create innovative outreach opportunities for agencies to interact with veteran and service-disabled veteran-owned businesses by connecting with local veteran civic and social organizations to share information about business development services and procurement opportunities.

19. In July 2024, the department, through the Capital City Redevelopment Corporation, issued a request for offers to purchase and redevelop the former Division of Taxation building at 50 Barrack Street in downtown Trenton. The 10-story, 230,000 square foot building is located in an area that is eligible for enhanced State tax incentives through the Economic Development Authority's Aspire Program.

- ***Questions:*** **What has been the response to the request for offers to purchase and redevelop the former Taxation building? How many proposals were received by the October 24, 2024 deadline, and what range of uses were proposed? What criteria are being used to evaluate these proposals? How does this redevelopment project fit into the broader New Jersey State Capital Partnership initiative for Trenton?**

One proposal was submitted in response to the July 2024 solicitation seeking a redeveloper. That one proposal did not include the minimum information needed for a review of the proposal and therefore was determined non-responsive and ineligible for further review. Had the proposal met the submission requirements, it would have been reviewed on several factors including: the respondent's professional and financial capability to take on the proposed project, their demonstrated experience including community-benefitting elements in completed projects (such as design elements that benefit community (tree canopy, awnings, seating, plazas), employing community members in

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construction and on-going business, and purchasing materials, goods, and services from the community during project construction and operations), the quality of their proposed project and its contribution to the activity and economy of downtown Trenton, and lastly their proposed purchase price. The Department is evaluating whether a third solicitation would reasonably result in the submission of a qualified proposal, including understanding the extent to which the recently adopted legislation changing components of the Aspire program would improve the financial feasibility of the building's redevelopment and therefore possibly attract greater interest from the development community.

The New Jersey State Capital Partnership formed by EO 40 establishes that the state should play an active role in achieving the city's vision for revitalization and that doing so requires an interdepartmental and coordinated approach. While the disposition of State property typically occurs through an auction process, because of the size of the property and its central location in downtown, Treasury elected to utilize an RFP process, which allows price and other factors to be considered in the sale of the property. Treasury has partnered with the Capital City Redevelopment Corporation, which is an independent State authority whose board includes the Mayor and Mayoral appointees, which provides a forum for additional city input into the redevelopment process. Treasury hosted a virtual community meeting and a virtual local elected officials meeting at the start of the process to take input as well as notified local elected officials prior to the issuance of the RFOTP in July 2024. In addition to facilitating the redevelopment process of the former Taxation building, the State Capital Partnership regularly coordinates with city and county officials and staff on projects and topics ranging from transportation improvements, business support, historic tourism, and residential development.

Division of Revenue and Enterprise Services

20 Enacted in May 2024, P.L.2024, c.10 requires the Department of the Treasury to establish a unified procedure for the certification of businesses owned by LGBTQ+ persons. The law directs the department to establish criteria for determining LGBTQ+ business status, create a clear application process, establish procedures for appeals and third-party challenges, and maintain publicly available lists of certified LGBTQ+ businesses.

- ***Questions:*** **What progress has the department made in implementing P.L.2024, c.10? Has the department established the criteria for certification as an LGBTQ+ business as required by the law? When does the department expect the new certification procedure to be available to interested businesses? Has the department begun accepting applications for certification? If so, how many businesses have applied and how many have been certified to date? What steps is the department taking to publicize this new certification opportunity among eligible businesses?**

Since March 2023, the Division of Revenue and Enterprise Services has provided certification services for LGBTQ+ businesses – first under Executive Order 295 and now under P.L.2024, c.10.

The Division established and continues to employ LGBTQ+ certification criteria as required by the law. The criteria can be viewed at https://www.nj.gov/treasury/revenue/business-cert-program.shtml. The current Administrative Rules can be viewed at N.J.A.C. 17:47.

As of April 24, 2025, there are 165 certified LGBTQ+ businesses.

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The Division publishes information about the certification program on its web site (www.nj.gov/njbgs), provides step-by-step guidance online for applicants including LGBTQ+ businesses (https://www.nj.gov/treasury/revenue/videos.shtml), and participates in over a dozen public forums on business certification services each year.

21. The Bureau of Transportation Services in the Division of Administrative Services runs the State Central Motor Pool. P.L.2019, c.362, also known as the **Electric Vehicle Act**, established goals and incentives to increase the use of plug-in electric vehicles in New Jersey. The law aspires for at least 25 percent of State-owned non-emergency light duty vehicles to be plug-in electric vehicles by December 31, 2025, and for 100 percent of State-owned non-emergency light duty vehicles to be plug-in electric vehicles by December 31, 2035. The Electric Vehicle Act defines a light duty vehicle as any two-axle, four-wheel vehicle, designed primarily for passenger travel or light duty commercial use, and approved for travel on public roads.

The FY 2025 Appropriations Act provided $25.0 million to the department for Electric Vehicle Infrastructure to spur the State's effort to meet the goals established by the Electric Vehicle Act for the use of electric vehicles by State government. The FY 2026 Governor's Budget includes an additional $25.0 million for Electric Vehicle Infrastructure.

In response to an FY 2025 OLS Discussion Point, the department noted that individual departments were responsible for their own purchases of vehicles, and that departments had struggled with adding fully electric or plug-in hybrid vehicles to their fleets due to a number of factors, including long-term supply chain issues with vehicles. To that end, the department reported that "[t]he number of gasoline hybrids in the fleet has increased, but the number of electric vehicles has not increased significantly from the previous totals..." The department mentioned the previous year that it had been installing telematics devices in fleet vehicles to analyze driving patterns and identify specific vehicles appropriate for electric vehicle conversion.

- ***Questions:*** **What percentage of State-owned non-emergency light duty vehicles are currently plug-in electric vehicles? How does this compare to the 25 percent goal for December 31, 2025? How has the $25.0 million appropriated in FY 2025 for electric vehicle infrastructure been utilized? What specific infrastructure improvements have been completed? What specific strategies is the department implementing to accelerate progress toward the goals of the Electric Vehicle Act? Please explain how the installation of telematics devices has informed the department's electric vehicle charging infrastructure plans and projects in FY 2025.**

There are approximately 4,000 non-emergency light duty vehicles in the fleet managed by Treasury; of which, 508 are gasoline-hybrid, 212 are plug-in-hybrid, and 21 are plug-in electric. Agencies continue to submit orders for replacement vehicles in the normal course of business. Vehicle availability, supply chain disruption, and utility readiness remain as obstacles to conversion.

There are a number of charging infrastructure projects underway, both major and minor, and in varying stages of progress. Approximately $15.3 million has been earmarked for these projects. Through the Division of Property Management and Construction (DPMC), Treasury has identified and begun planning, design, and implementation for the following sites:

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- Major Installations
  - Bank Street Garage
  - Trenton Office Complex Garage
  - Perry Street Park and Ride
  - Corrections Headquarters
- Minor Installations
  - Library for the Blind
  - John Fitch Way
  - Trenton Office Complex Garage
  - Charging at each of 30+ State-owned buildings
  - Mobile solar charging

The installation of telematics devices has provided data with regard to driving patterns, parking locations, average trip distance, average monthly days-in-use. This information will be used to identify where chargers – both overnight and DC-fast charging are needed throughout the state to ensure that the State's drivers have access to charging.

22. P.L.2021, c.122 established the Grants Management Office (GMO) in the Department of the Treasury to improve efficiency, streamline processes, reduce administrative burdens on both granting agencies and grant recipients, and to facilitate the development and implementation of a Statewide centralized grants management and accountability system.

- ***Questions:*** **Have the operations of the office demonstrably increased the amount of grant awards to public entities in the State or reduced the administrative costs of such entities? If so, please explain and please provide specific examples and metrics. How many stakeholders are utilizing the Grant Discovery tool, a software platform that automates the discovery and identification of federal grant opportunities, and what specific partnerships or collaborations have been facilitated?**

The Grants Management Office helps reduce administrative barriers by assisting stakeholders in identifying federal funding opportunities and building capacity to secure and manage competitive grants. While the GMO does not apply for grants or control award decisions, its operations have increased stakeholder engagement and access to funding opportunities. To date, the office has reviewed and shared over 900 federal grant opportunities and maintains a 90% open rate for its weekly Grants Update across a mailing list of more than 3,000 recipients. The GMO also facilitates individual grant research requests, often connecting stakeholders to targeted funding sources they may not have otherwise identified.

Although the full financial impact is difficult to assess, the office continues to strengthen the grants environment in New Jersey by providing training resources, promoting best practices, and reducing information gaps.

The Grant Finder Tool was launched six months ago and is currently utilized by 135 unique parent organizations, with multiple individual users registered under many accounts. Local governments represent 32% of users, State agencies account for 15%, and nonprofit organizations make up 19%.

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Top usage comes from stakeholders in Mercer, Essex, Burlington, Middlesex, Bergen, Camden, and Gloucester counties. The platform includes a feature that allows users to express interest in specific grants and identify potential partners and collaborators, helping to facilitate connections that can strengthen federal grant applications.

23. In October 2024, the GMO released a first-of-its-kind report indicating that the State secured an estimated $22.16 billion in federal revenue in FY 2024, which supported 609 State-administered programs. According to the report, while federal funds awarded to New Jersey were down slightly from the prior year due to the expiration of some COVID-19 funding programs, funding was still 56 percent higher in FY 2024 than in FY 2019, the last fiscal year before the COVID-19 pandemic.

- ***Questions:*** **Please provide a detailed analysis of the federal funding landscape for FY 2026, including projected federal revenue amounts and any significant changes anticipated compared to FY 2024 and FY 2025. What specific strategies is the Grants Management Office implementing to maintain or increase federal funding levels as COVID-19 related programs continue to expire? How does the GMO measure the success of its efforts to assist state agencies, local governments, and non-profit organizations in securing competitive federal grants? What guidance and assistance has the office provided to federal grant recipients in response to the recent efforts to rescind the provision of federal funding for various purposes?**

As part of the FY2026 GBM, State agencies were anticipating to bring in a total of $27.9 billion in federal aid across hundreds of projected grant awards from formula-based, competitive, pass-through, and block grants. This federal aid supports many industries across the state from food assistance to health care for seniors and other residents and water infrastructure investments to maintenance and construction of our transportation network. Over 70%, or nearly $20 billion of the total estimated FY2026 federal aid, pertains to programs under the New Jersey Department of Human Services, the majority of which supports NJ FamilyCare. In addition, federal aid across programs under the New Jersey Departments of Transportation, Agriculture, Environmental Protection, Education, and Health is estimated to bring in an additional $5.9 billion, or 21% of total federal aid projected as of the FY2026 GBM. Updates to the projected federal aid for FY2026 are currently ongoing and will be incorporated into the eventual Appropriations Act to be adopted by June 30th.

The Grants Management Office continues to support stakeholders by monitoring and sharing new federal grant opportunities as they become available, promoting grant training, and providing resources to strengthen grant writing and management capacity based on agency needs and priorities. The office notes that COVID-19 funding was a one-time infusion of federal resources in response to an emergency, and that a more realistic benchmark is maintaining or increasing federal funding compared to pre-pandemic levels.

Due to the nature of federal grant cycles, it may be another year or two before the full impact of the office's efforts can be assessed. The Grants Management Office provides resources designed to reduce administrative burdens and strengthen the capacity of stakeholders to successfully secure federal funding. Success is currently measured by monitoring stakeholder engagement with the resources shared by the office. The GMO's weekly mailing, the Grants Update, maintains a 90% open

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rate among a mailing list of more than 3,000 recipients. In addition to tracking the number of grant opportunities reviewed and shared, the GMO facilitates individual grant research requests submitted by stakeholders, often matching them with relevant opportunities. As the office continues to establish itself as a trusted source for federal grant information, it also tracks the volume of new requests received, many of which result from referrals by stakeholders who have previously engaged with the GMO. Participation in GMO webinars, technical assistance requests, and stakeholder feedback are also monitored to assess engagement.

In response to recent efforts to rescind federal funding, the Grants Management Office has actively monitored federal actions and shared timely updates with stakeholders. The office created and distributed a Frequently Asked Questions document to provide guidance, included important updates in the weekly Grants Update publication, and referred agencies to the appropriate federal or state contacts for additional assistance when needed. The GMO has also shared resources and templates to support stakeholders in managing grant changes and navigating any adjustments related to rescinded funding.

In addition, the Administration has also developed a process whereby all State agencies and authorities are to notify the Governor's Office, Treasury, and the Office of the Attorney General of any new information received from any federal government agency pertaining to their federal aid. This includes rescissions to, revocations of, or terminations of federal grant funding as well as notification of any new or modified changes to the federal terms and conditions that apply to such grants, both existing and future awards. This has streamlined the notification process at the State level, which has been extremely helpful for the State's ongoing litigation suits against the federal government.

Office of Information Technology

24. On July 19, 2024, the cybersecurity company CrowdStrike distributed a faulty update to its Falcon Sensor security software that caused widespread problems with Microsoft Windows computers running the software. According to reports from the federal Cybersecurity and Infrastructure Security Agency, the outage affected Windows 10 and later systems but did not impact Mac and Linux hosts. The issue was identified, isolated, and a fix was deployed, but not before causing significant global disruption. According to industry analysis, this outage resulted in estimated losses of $5.4 billion for Fortune 500 firms, with the healthcare sector experiencing the highest losses at an estimated $1.94 billion.

- ***Questions:*** **To what extent, if any, were the State's information technology systems affected by the CrowdStrike outage? How long did it take the State to restore any systems affected by the outage? What was the financial and operational impact, if any, of the outage on State operations? What mitigation measures were implemented during the outage to maintain essential State services?**

The Office of Information Technology (OIT) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by OIT.

Discussion Points (Cont'd)

Executive Branch agencies, as well as organizations outside of State government were impacted by the global technology outage involving CrowdStrike software and Microsoft operating systems. The State's information technology systems experienced moderate disruptions. As the faulty CrowdStrike update was pushed to Windows systems at approximately 2AM, which is a low utilization hour and at a time when many end user workstations and laptops were powered off, the impacts were limited to a subset of the State's Windows systems that were online at the time. Non-Windows systems (such as Apple laptops and desktops, Linux and AIX servers, mainframe systems, and cloud-hosted services) were not impacted by the faulty update and continued to operate normally. The moment the issue was identified, we engaged our incident response procedures and began remediation. CrowdStrike identified and published a fix for the faulty update within hours of the incident which we applied immediately across our environment. Critical systems were prioritized: servers and high-importance workstations were addressed first and recovered early in the process (many within the first few hours). Following that, the remaining impacted employee devices were systematically repaired and rebooted. Inclusive of some of the outliers, it took approximately 3 days to restore the systems. There have been no reports of adverse financial impacts made by any State agencies. Operational impacts were limited to disruptions of services. There was no compromise of data or security during this outage. The issue was a software failure and not a cyberattack or breach. The impact was confined to system availability on certain Windows systems. Departments and agencies that did experience impacts implemented their continuity of operations and continuity of government plans.

- **To what extent, if any, did the outage enable the State to identify any weaknesses in the ability of its information technology systems to withstand similar future outages? To what extent, if any, did the impact of the CrowdStrike outage reveal the need for additional enhancements to the State's cybersecurity infrastructure? Has the State revised its incident response plans or data security protocols as a result of lessons learned from this outage? If so, please explain.**

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The State continuously reviews and implements mitigations to ensure the resiliency of its information and operational technology infrastructure whether incidents and outages are caused by intentional, accidental, manmade, or natural events. The rapid pace of change in technology and the State's increasing dependence on technology to provide critical services to the residents of New Jersey and carry out its daily business functions requires this continuous diligence. The Office of Information Technology and the NJ Cybersecurity and Communications Integration Cell (NJCCIC) have been continuously engaging and coordinating enhancements to the State's cybersecurity infrastructure with all departments and agencies. After every significant incident, we conduct after action reviews that help inform any need to make changes to the State's incident response plans and resilience measures.

25. P.L.2024. c.18 appropriated $65.4 million from the New Jersey Debt Defeasance and Prevention Fund to the Office of Information Technology (OIT) for improvements and upgrades to the **New Jersey State Enterprise Data Center** and its power infrastructure. The Enterprise Data Center is the central information technology infrastructure service for the Executive Branch. According to the OIT, the project aims to replace the 38-year old electrical and mechanical systems that support the center.

Discussion Points (Cont'd)

In response to an FY 2025 OLS Discussion Point, the OIT noted that due to unanticipated project delays, the project will not be completed by FY 2027, as originally planned. The next phase of the project includes the purchase and installation of new electrical and mechanical systems needed to replace the equipment in the Enterprise Data Center.

- ***Questions:*** **Please provide an update regarding the Enterprise Data Center Power Stabilization Project. Given the unanticipated project delays that occurred in FY 2024, what is the new anticipated project completion date? To what extent, if any, have there been any additional project delays and to what extent have they caused the anticipated project completion date to be extended? What amount does the Executive anticipate spending for the project in FY 2026? What are the next steps in the Enterprise Data Center Power Stabilization Project? Given that the electrical and mechanical systems that support the Enterprise Data Center are 38 years old, does the OIT have secure and sufficient backup systems to support the Executive Branch in case these systems fail?**

The Office of Information Technology (OIT) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by OIT.

The referenced delays in FY2024, are far behind us and the work for the selective demolition/building reconfiguration phase is ongoing with extensive site demolition and physical construction. For the past several weeks, Phase 2 of the EDC Power Stabilization project has been currently paused to abate hazardous material that has been discovered during the demolition phase of the project. Although the project team is unable to provide a new date until the abatement is done, a completion date of June 2026 for Phase 2 does not seem unreasonable. Upon resumption, the contractor and project manager will provide the new anticipated completion date for Phase 2. The anticipated spending (obligation of funds) for the EDC Power Stabilization project in FY2026 is $44 million, which includes the continuation of construction, and major purchase of the equipment and installation of the "side A" electrical/mechanical system. Presently, Phase 0 (assessment, approvals, funding) and Phase 1 (formal project plan and engineering design) are completed. Phase 2 (construction/demolition) is under way. A number of key activities make up the remainder of Phases 2-4. Upon resumption after the asbestos abatement, the next steps are:

- To complete the selective demolition and building reconfiguration of the 56,000 sq. ft. space required to install the new electrical and mechanical systems. 2/26 ETC.
- Complete the trenching for the relocation of the chilled water pipes which will remove the water pipes currently located over the data center IT hardware assets.
- The design, construction, and pre-purchase of the side A & B electrical and mechanical systems.
- The installation and migration to the new side A electrical and mechanical systems.
- The retirement of the side A 38-year-old electrical and mechanical systems.

Regarding the overall completion of the final phase of this Data Center upgrade project, the design initiated on March 13, 2025, final design approval is anticipated in mid-late 2026 with construction to begin soon thereafter. The anticipated completion date is 2029.

OIT has multiple layers of backup systems in place to support the Executive Branch in the event of a systems failure. If a subsection of the primary electrical system fails, the EDC backup electrical system

Discussion Points (Cont'd)

is designed to seamlessly maintain IT services for the Executive Branch. If the mechanical system fails, backup systems are available on-demand. These are tested regularly, with notification to all State agencies.

Although the Hamilton Data Center, also known as the Disaster Recovery Data Center, does not provide fully redundant EDC capabilities, the Hamilton Data Center can provide limited IT services in the event of a complete systems failure. Recognizing these limitations, OIT continues to work with our Agency partners and migrate IT systems to the Cloud to further enhance resiliency and continuity.

Cannabis Regulatory Commission

26. The New Jersey Constitution provides that the retail sale of cannabis may only be subject to the sales and use tax. P.L.2021, c.16 authorizes the Cannabis Regulatory Commission to impose a Social Equity Excise Fee on the receipts from the sale or transfer of usable cannabis by a cannabis cultivator to any other cannabis establishment, other than a cannabis cultivator. The Social Equity Excise Fee (SEEF) increased from $1.24 per ounce in 2024 to $2.50 per ounce, effective January 1, 2025. The FY 2026 Governor's Budget proposes a further significant increase in the SEEF from $2.50 per ounce to $15 per ounce, as well as the implementation of a new $30 per ounce SEEF on intoxicating hemp products. The Executive expects both changes to generate an additional combined $70.0 million in State revenue.

Revenues generated by the retail sale of cannabis and the SEEF are deposited into the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization (CREAMM) Fund. Supplementary budget information indicates that the Executive anticipates that the unexpended balance of the CREAMM Fund will be approximately $114.5 million at the close of FY 2025. The Executive also anticipates that the revenues deposited into the CREAMM Fund in FY 2026 will total approximately $196.9 million, including roughly $100.1 million in tax collections and $95.1 million in license and fee collections.

In response to an FY 2025 OLS Discussion Point, the department also noted that approximately 64 percent of municipalities had opted out of allowing cannabis businesses within their jurisdictions.

- ***Questions:*** **What is the rationale for the proposed significant increase in the Social Equity Excise Fee on cannabis from $2.50 to $15 per ounce? In light of the large unexpended balance in the CREAMM Fund, why is the proposed fee increase necessary? What market impact analysis has been conducted to determine how the increased fee might affect legal cannabis sales and potential diversion to illegal markets?**

The Cannabis Regulatory Commission (CRC) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the CRC.

Discussion Points (Cont'd)

Established under N.J.S.A. 17:30-3.4 of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (CREAMM Act), and in accordance with N.J.S.A. 54:47F-1, the Social Equity Excise Fee (SEEF) may increase or decrease as the legal cannabis market matures. Given that the estimated average retail price of an ounce of usable cannabis in 2025 is $330.68, existing statute allows for the excise fee to be up to $30.00 per ounce of usable cannabis. The SEEF will help support social equity programs across the State as described in General Provision 103. An increase in the SEEF will help to maximize the reach and impact of such programs.

The market impact of the proposed cannabis fee is expected to be minimal, as the new fee will remain competitive with other regional states and the consumer price impact will be relatively small. In part because of the inherently untracked nature of the illicit market, and the absence of its traces in tax records, it is extremely difficult to estimate the elasticity with which demand may shift between the legal and illegal side of the cannabis/marijuana industry as a result of tax rate changes.

Also, to the extent that New Jersey's legal cannabis industry faces competition from other states, even with a SEEF of $15 per ounce, New Jersey's tax rate would still not be unusually high. That is, the current $2.50 SEEF rate and the proposed $15 SEEF rate may be approximately equivalent to ad valorem tax rates of 0.8% and 4.5%, respectively; and adding these to the 6.625% SUT rate yield total tax rates of approximately 7.4% and 11.2%, respectively. With the 2% local option tax, this could come to 9.4% and 13.2%, respectively. For comparison, some cannabis tax rates in nearby states are as follows: New York levies a 9% tax on wholesale sales, and a 13% on retail sales. Maryland currently has a 9% cannabis tax, but reports indicate that this may increase to 12% in the new fiscal year. Massachusetts imposes a 10.75% tax on retail sales of cannabis in addition to its 6.25% sales tax and a 3% local option tax.

A decrease in demand seems unlikely to be substantial. A SEEF increase from $2.50 to $15 might cause an after-tax retail price increase of only about 4.2%, resulting in little consumer behavioral change.

Our high-level analysis of sales and pricing data as well as market conditions falls in line with the assessment presented in the Governor's proposed budget. The impact on businesses (cultivators predominantly) will vary widely depending on their size and where they are in development. Younger or smaller businesses are likely to have less ability than older businesses to absorb the fee without raising prices.

- **Has the percentage of municipalities that have opted out of allowing cannabis businesses changed since the last reporting period? If so, please explain. How has the development of the adult-use recreational cannabis market been impacted by the number of municipalities that have opted out of the market? What specific programs and initiatives have been funded through the CREAMM Fund during FY 2025, and what allocations are planned for FY 2026?**

The Cannabis Regulatory Commission (CRC) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the CRC.

Due to municipalities not being required to notify the NJ-CRC of their opt-in status, tracking this information is challenging. We have seen towns that have decided to opt-in after previously not

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allowing cannabis sales, but we do not learn about the shift until applications to open businesses are submitted. The NJ-CRC launched a "What can 2% do for you?" campaign in 2024 to highlight the benefits of allowing cannabis businesses to operate in your town. We know of a few towns, such as Stockton Boro and National Park, that have changed local ordinances to allow licensed businesses to operate in their town. Still, the number of available municipalities is not enough to house the number of interested licensees. The NJ-CRC is also investing in third party data providers to source up to date ordinances and municipal information regarding cannabis in towns. This investment will allow the Commission to have a better view of shifts in Opt-in/Opt-out since CREAMMA was passed and better understand the impact on the market. This service will provide data with actual tax revenue towns have received, the number of available municipal licenses and up to date meeting minutes to inform the Commission of who is considering opting in and how the NJ-CRC can help them navigate that decision.

The FY 2025 programs and initiatives funded by CREAMM as of 4/30/2025 include the below:

Department	FY25 Programs	Amount
DHS	Partnership for a Drug Free New Jersey	1,000,000
DCA	Anti-violence Out-of-School Youth Summer Program-Newark, Trenton, Paterson, Atlantic City	8,000,000
LPS	Violence Intervention Programs	25,500,000
State	New Jersey-Based Children's Defense Fund Freedom Schools	2,000,000
EDA	Cannabis Equity Grant Programs	5,000,000
DOC	Release Support Partnership Program - New Jersey Locally Empowered Accountable and Determined (NJLEAD)	7,000,000
CRC	Safe Use Campaign	1,000,000
		49,500,000

The programs and initiatives proposed to be supported by CREAMM for FY 2026 can be found in General Provisions 103, 104, and 105 in the FY 2026 GBM.

27. P.L.2024, c.73 established regulatory provisions for intoxicating hemp products, including intoxicating hemp beverages. The law defines "intoxicating hemp product" as any product cultivated, derived, or manufactured from hemp regulated pursuant to the federal Agricultural Improvement Act of 2018 or the New Jersey Hemp Farming Act that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package. The law authorizes the Cannabis Regulatory Commission to regulate these products, and also permits the holders of plenary wholesale licenses or plenary retail distribution licenses under the State's alcoholic beverage control laws to sell intoxicating hemp beverages with approval from the commission. The law also requires that the Cannabis Regulatory Commission, in consultation with the Division of Consumer Affairs, the Business Action Center, and the Division of Alcoholic Beverage Control, develop and implement a public education program to educate businesses across the State on the provisions of the law.

- ***Questions:*** **What has been the Cannabis Regulatory Commission's experience with regard to the implementation of P.L.2024, c.73? What specific challenges has the commission faced in implementing the provisions of this law? How many plenary wholesale licensees and plenary retail distribution licensees have been approved to sell intoxicating hemp beverages? What criteria does the commission use to evaluate**

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applications from these licensees? Has the commission established the required public education program to educate businesses across the State on the provisions of the law? How has the commission coordinated with the Division of Alcoholic Beverage Control regarding the regulation of intoxicating hemp beverages? What additional resources, if any, has the commission required to fulfill its expanded regulatory responsibilities under this law?

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The stay in *Loki Brands LLC et al. v. Platkin et al.,* No. 24-cv-9389 (D.N.J.), has prevented the Commission from implementing the provisions of the law. Operating in anticipation of the law moving forward in some form, the Commission has been updating its organizational charts and anticipating hiring needs in the offices of Licensing and Compliance/Investigations with the expectation that a large volume of applicants would apply for an intoxicating hemp products license.

There have been zero plenary wholesale and plenary retail distribution licenses approved to sell intoxicating hemp beverages.

Due to the stay imposed in the *Loki Brands* case, no applications have been submitted or received by the Commission. However, the Commission anticipates applying a similar licensing process and criteria to intoxicating hemp licensees as used for cannabis licensees, including but not limited to reviewing the criminal histories and financial backgrounds of the owners and persons of interest that anticipate being involved in the day-to-day operations of the business, ensuring that the appropriate Standard Operating Procedures have been created to run the business within the bounds of the law and regulations, and conducting site inspections of the facilities where these businesses will be operating.

The Commission has held meetings with representatives from the NJ Division of Alcoholic Beverage Control in anticipation of the provisions of the law coming into play. Informal, early discussions have been held regarding what agency(ies) will have the responsibility of removing the newly regulated products from liquor store shelves where the liquor licensees are not applying for a CRC license, how ABC licensees will become dually-licensed as CRC licensees should they choose to carry these products, what additional applicant review needs to be done beyond whatever ABC may have done for their liquor licenses, and how establishments may need to compartmentalize their intoxicating hemp beverages from their alcoholic beverages.

The Commission anticipates needing an entirely new unit within the Office of Compliance and Investigations in order to meet the expected volume of new applicants/licensees.

At present, each investigator is responsible for over 90 businesses across the State for compliance monitoring. This number steadily increases as new cannabis business are licensed. When the Hemp legislation is passed, we anticipate the number of businesses that will need credentialling and the licensed businesses that will require compliance monitoring to significantly increase the volume of work for staff in the Compliance and Investigations unit. The influx of businesses that are expected to be credentialled through the impending Hemp legislation will significantly add to the workload of the existing staff.

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The Compliance and Investigations unit is also responsible for verifying the credentials of business owners and their employees. The work of the investigators is primarily accomplished the field. The Commission is requesting staff dedicated to completing the administrative work in the office for the Compliance and Investigations unit to keep up with the demands of vetting prospective business owners and employees and the work generated by field staff.

28. The Cannabis Regulatory Commission's application processing timelines remain a critical concern for stakeholders in the cannabis industry. While the commission has made efforts to streamline its internal review process, there appears to be a significant bottleneck in the commission's licensing processes.

- ***Questions:*** **What specific internal process improvements has the commission implemented to reduce application review times? Has the commission considered implementing a priority review system for certain license types or applicant categories to address market needs? What coordination efforts exist between the commission and municipalities to reduce delays in the local approval process?**

The Cannabis Regulatory Commission (CRC) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the CRC.

The Office of Licensing has created standard operating procedures to codify processes developed and refined over the first several years. A variety of licensing portal enhancements were made to match what was being seen in the application process. A key development was receiving delegated authority from our board for certain approvals such as conditional applications that do not have to wait until public meeting for board approval now.

In addition, the Office of Data Analytics & IT has been working with all of the operational units on an enterprise-wide CRM system being built in the Salesforce platform. The project will result in the digitization and automation of key processes such as inspections, criminal background clearances, employee badging, the vetting of financial interests, processing of complaints, and conducting and tracking of investigations.

CRC will now be able to examine the component parts of key processes and develop performance metrics at a granular level. Key processes will be improved immediately while capturing data to be used to support the dashboarding of metrics and continuous improvement initiatives going forward. This initiative will impact both the efficiency and the effectiveness of core CRC functions and undoubtedly impact key performance indicators (KPIs) like Application-to-Board Approval time and Board Approval-to-Opening time.

When the Commission accepted applications for adult use, license applications were accepted on a rolling basis with priority review given to applicants that qualify as Social Equity Businesses, Diversely Owned Businesses, and Impact Zone Businesses. Cannabis market needs are continuously evaluated to determine if any adjustments to our current priority review system are needed.

To reduce delays in municipal approvals and ensure applicants and local officials are clear on what is required for licensure, staff in the Licensure, Investigations, and Government Affairs offices work

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together to review and quickly send cure letters with clear instructions on what is required. The Office of Government Affairs will also reach out directly to municipal officials to explain what zoning or municipal approvals are missing and answer any questions local officials may have about the process. This helps us understand what obstacles exist and how the Commission can assist. In addition, direct outreach from the Office of Government Affairs to municipal officials is happening throughout the year through email blasts and updates to our Government Relations page on the NJ-CRC website.

29. The Cannabis Regulatory Commission recently opened applications for cannabis consumption area endorsements, with a phased application timeline that began January 2, 2025, for social equity businesses. Applications for diversely-owned businesses opened on April 2, 2025, to be followed by all other retail operators on July 2, 2025. The commission has adopted regulations governing these spaces, establishing safety standards, age restrictions, and operational requirements.

- ***Questions:*** **What revenue projections has the commission developed for cannabis consumption area endorsements and associated tax collections? How many consumption area applications have been received since the January opening date, and what is the expected timeline for the first establishments to become operational? What specific protocols has the commission established, in coordination with law enforcement, to address impaired driving concerns related to these consumption spaces? Has the commission considered implementing consumer education requirements for consumption area operators regarding safe transportation options?**

The Cannabis Regulatory Commission (CRC) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the CRC.

The CRC estimates about $70,000 in fees related to consumption areas. This estimate is based on about fifteen (15) becoming licensed this year and next year. With respect to the Sales and Use Tax or SEEF revenue, these will likely not be impacted to a great degree. It remains to be seen how it will affect consumer behavior, but no additional products or services will be sold in these areas other than the cannabis purchased at the dispensary.

Since January, four applications for consumption area endorsements have been received by the Commission. The timeline for becoming operational will depend on Commission approval, local approvals, and the applicant's readiness. It is anticipated that the first consumption area will be operational sometime this summer.

The Commission coordinated with law enforcement prior to the adoption of the adult use rules and consumption area rules. Additionally, the Commission has a safe-use messaging campaign to create consumer awareness on impaired driving and to ensure that consumers always make safe choices. The Commission takes safety very seriously and will continue to coordinate with law enforcement on these issues.

Our regular safe-use messaging on our website and social media platforms includes reminders that impaired driving is dangerous and illegal - regardless of the source of the impairment. We also make signage and brochures available to dispensaries to share with customers.

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Additionally, the Commission's regulations require all personnel of a cannabis consumption area to complete any additional trainings required by the Commission. The regulations also prohibit employees of a consumption area from selling to consumers who display "visible signs of intoxication."

Office of the Public Defender

30. The FY 2025 Appropriations Act provided $1.0 million to the Office of the Public Defender (OPD) for Expungement Unit Operations. The FY 2026 Governor's Budget recommends an additional $1.0 million for Expungement Unit Operations. The OPD provides legal representation to low-income defendants in criminal matters and to children and low-income parents in family court proceedings related to child abuse, neglect, and termination of parental rights.

- ***Questions:*** **Please provide an update regarding the development of the OPD's Expungement Unit. For what specific purposes is the FY 2025 funding being utilized? How many attorneys and support staff, respectively, have been hired for the OPD Expungement Unit? How many persons seeking to have their records expunged have been represented by the OPD? What is the current caseload of the Expungement Unit, and does the OPD anticipate that the additional $1.0 million recommended in the FY 2026 Governor's Budget will be sufficient to meet the demand for expungement services?**

The Office of the Public Defender (OPD) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the Public Defender's office.

With FY2025 funding, the Office of the Public Defender (OPD) created a standalone Expungement Unit to assist and represent individuals seeking to expunge their criminal records in New Jersey. The Unit helps file petitions, provides legal representation when prosecutors object to expungement, appears in Superior Court statewide, and handles appeals for any NJ citizen that needs assistance. It also engages in litigation, including a class-action lawsuit (*A.A. v. Callahan*) that resulted in eliminating a backlog of 45,000 expungement orders and setting strict processing deadlines for the State Police. Additionally, the Unit hosts statewide clinics, having filed over 1,000 expungement applications at 15 events this fiscal year, with many more scheduled.

The FY2025 funding was used to create an Expungement Unit within the OPD, whose members collectively perform the functions and legal services described above.

The OPD used the FY2025 funding to create and fill 10 FTEs, which consists of 1 Deputy Public Defender to supervise the program unit, 3 Assistant Deputy Public Defenders (staff attorneys), 5 Attorney Assistants, and 1 Legal Secretary.

In FY2025, the Office of the Public Defender (OPD) has represented 2,912 individuals seeking to have their records expunged as of April 24, 2025. This figure does not include the more than 1,500 individuals who received advice and assistance at OPD's expungement clinics through May 8, 2025.

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The OPD Expungement Unit currently has approximately 1,500 pending cases throughout the state. The average caseload has increased over the current fiscal year, with the Unit opening about 600 new cases per month.

To fully meet the growing demands of providing legal representation to expungement petitioners statewide, the Expungement Unit currently relies on assistance from attorneys in other OPD units (e.g., trial regions, child welfare attorneys). Expungement caseloads continue to rise and are expected to do so for the foreseeable future. This increase is partly due to the OPD's settlement with the New Jersey State Police, under which the OPD agreed to represent individuals with defective petitions pending with the State Police, and partly due to a backlog of petitions awaiting Superior Court review, resulting in more court appearances statewide.

31. On June 28, 2024, the Office of the Public Defender announced the appointment of the first-ever Director of Investigations and Police Accountability. According to the announcement, this position was created to strengthen the partnership between public defenders and investigators, assist attorneys in litigating police-related issues, develop systems to track police and prosecutorial misconduct, and promote policies to address systemic misconduct.

- ***Questions:*** **How has the Director of Investigations and Police Accountability enhanced the OPD's ability to meet its statutory mandate to provide legal representation to indigent persons who are charged with indictable offenses? What specific initiatives has this position implemented since its creation? How has the office measured the impact of this position on case outcomes? Has the creation of this position improved the OPD's ability to address issues of police misconduct in individual cases? Has the office established systems to track police misconduct across cases, and if so, what patterns or trends have been identified?**

The Office of the Public Defender (OPD) is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the Public Defender's office.

The New Jersey Office of the Public Defender employs an investigative staff of 258 investigators and support personnel who work closely with attorneys on behalf of the individuals we represent across our Criminal Defense, Mental Health Advocacy, Parental Representation, Law Guardian, and Parole Revocation Units. This unit is overseen by the Director of Investigations.

The primary responsibility of the investigative unit is to conduct witness interviews, scene investigations, and other case-related investigative work across our five major practice areas. The previous Director of Investigations retired in early 2024. A new Director assumed leadership of the unit in May 2024.

In response to issues identified by our attorneys, the new Director of Investigations assumed additional responsibilities including coordinating the agency's response to concerns involving police misconduct. She took on this role in addition to her regular managerial duties. Importantly, neither the Director nor the investigative staff directly investigate police officers. Rather, the Director's role is an oversight position tasked with centralizing and coordinating the agency's response to Brady violations, discovery issues, litigation strategies, and motion practice arising when police misconduct

Discussion Points (Cont'd)

is uncovered in individual cases. In addition, the Director counsels attorneys regarding police or prosecutorial misconduct suspected in their case and how to appropriately handle the issue to provide the people they represent with strategies to effectuate positive outcomes.

To assist attorneys, the Director has created a motion bank, which includes discovery demands, motions to dismiss, and motions pursuant to State v. Higgs, etc. for the attorneys to utilize in providing zealous advocacy. Police accountability requires doing research on relevant case law and statutes, and obtaining relevant records through records requests, discovery or motion practice so that our attorneys know whether there are any issues of bias or credibility in the witnesses who may testify against our clients. The Director has aggregated this information so attorneys may utilize information in a more uniform manner. The Director also meets with the local Prosecutor's Offices and the Attorney General's Office to try to facilitate discussions regarding the best practices for the dissemination of information.

The Director's efforts have uncovered Brady/Giglio issues in multiple counties and systemic issues around the collection and dissemination of Brady/Giglio materials in New Jersey.

Although the Director has been in her position for 10 months, her impact on the people we represent and on the way our attorneys practice has been noticeable. The Director has provided critical information to our attorneys on effectively handling cases that involve allegations of police misconduct resulting in dismissals, lowered plea offers and the exclusion of evidence. While there is insufficient data due to the short time frame, we have already seen benefits for the people we serve with increased awareness of how to litigate cases involving police misconduct.

The Director has been collecting data for a searchable system for our attorneys to track misconduct for an upcoming database. Patterns and trends have not been identified yet, as this is a statewide system that would account for data on every officer with relevant credibility and misconduct and collecting and analyzing this data will take some time.

Office of the Corrections Ombudsperson

32. The **Office of the Corrections Ombudsperson** is responsible for providing a mechanism for resolving issues, complaints, and problems related to living conditions and other matters of inmates sentenced within New Jersey's correctional system. According to the office's 2024 Annual Report, between September 1, 2023 and August 31, 2024 the office received 12,581 contacts, an average of just under 250 contacts per week from 3,755 unique individuals. The office has a field team of 11 staff members responsible for triaging and troubleshooting individual-level concerns and a systemic monitoring team of five staff members that conducts facility inspections and research on system-level trends. In August 2023, the office announced the hiring of Deputies to lead the new Community Engagement and Systemic Monitoring divisions.

- ***Questions:*** **How have the two new divisions established in 2023 enhanced the office's oversight capabilities? What specific initiatives and activities has each division undertaken in the past year, and what measurable impacts have they had on addressing systemic issues in State correctional facilities? How does the office measure the success of its community engagement efforts, and what feedback has it received from stakeholders regarding these initiatives?**

Discussion Points (Cont'd)

The Office of the Corrections Ombudsperson is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the Ombudsperson.

Community Engagement Division. This Division has enhanced the Office's reputation, credibility, and impact. Family members with incarcerated loved ones now have more access to those monitoring prison conditions and more influence over the Office's priorities. Having dedicated staff for community engagement has built good will among a population that can be very distrustful of the State, giving them reassurance that their concerns can be assessed and investigated by an independent, neutral, and objective fact finder. Advocates who supported legislative reforms related to prison conditions (like those related to isolated confinement) have a direct point of contact in the Office for independent and transparent assessments of whether and how the law is being implemented.

The Division has distributed reports to lawmakers and members of the public, and met with legislators, other State offices, advocacy organizations, the correctional officers' union, and peer organizations in other states. Since the Office's last Annual Report, the Division hosted nine town halls and listening sessions, including two virtual (online) meetings, and in-person meetings in Newark, Elizabeth, Paterson, New Brunswick, Trenton, Camden, and Vineland. The concerns most frequently expressed at these town hall meetings relate to facility lockdowns and limited out-of-cell time, medical care provided to loved ones in prison, living conditions (air/water quality, sanitation, exposure to cold/heat), experiences during family visits, and worries that if they speak up directly to the Department of Corrections, their loved ones may experience some form of retaliation.

The success of community engagement can be difficult to quantify. The Office has seen a growing number of subscriptions to its listserv, steady attendance at town hall meetings, wider distribution of the Office's publications, and increased outreach and referrals to the Office from advocates and other state agencies.

Systemic Monitoring Division. This Division has enabled the Office to have data-driven policy conversations with the Department of Corrections. Having dedicated staff to gather and analyze data and paper records, conduct surveys of the incarcerated population, assess trends, and conduct historical and best practices research, has grounded the Office's conversations with facility administrators and Department of Corrections executive leadership. This analysis arms the Office to discuss policy and strategic planning with decision-makers at every level of the Department about the health, safety, and wellbeing of the incarcerated population.

In the last year, the Systemic Monitoring division has conducted facility-based inspections, analyzed data related to deaths in custody, participated in a collaborative workgroup focused on suicides, and surveyed the incarcerated population about their experiences with access to health care when they're feeling sick. The Division's inspection of Garden State Youth Correctional Facility led decisively to kitchen and bathroom repairs, practice changes related to sanitation and food service, replacement of expired fire extinguishers, the purchase of 1,200 pillows, and an initiative to increase the number of residents who have meaningful job assignments. The Division's inspections of Protective Custody units at New Jersey State Prison led to improved legal access and an effort to reduce the Protective Custody population. The Division's participation in the DOC's Property Task Force led to an overhaul of policies related to transferring people and their property between prison facilities and processing

Discussion Points (Cont'd)

reimbursement claims for lost property. Additionally, the Division's systemic monitoring of health care services in the last year has drawn increased attention to concerns about scheduling and transportation for off-site specialist care—an issue that the Department has prioritized for corrective action.

33. The Office of the Corrections Ombudsperson's 2024 Annual Report indicates that five State prison facilities operate Restorative Housing Units (RHUs) for people serving disciplinary sanctions, and that about one-in-five contacts to the Ombudsperson Office came from a person in an RHU placement. Their most common areas of concern are related to missing property, health care access, the discipline system, and conditions of confinement in the RHUs. In a report published in April 2024, the office also expressed concerns about the Department of Corrections' practice of imposing disciplinary sanctions that take away a person's telephone privileges, noting that in 2023, and nearly 2,500 people had their phone privileges taken away, including 475 people punished with loss of phone for longer than six months.

- ***Questions:*** **What specific recommendations has the office made regarding conditions in the RHUs, and what response has it received from the Department of Corrections? Has the Department of Corrections implemented any changes to its disciplinary policies regarding loss of phone privileges following the office's April 2024 special report? What oversight mechanisms has the office established to monitor compliance with its recommendations? What changes, if any, does the office believe are necessary to address concerns about disciplinary sanctions in state correctional facilities?**

The Office of the Corrections Ombudsperson is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the Ombudsperson.

The Ombudsperson Office can recommend, but not enforce, policy and practice changes. Its recommendations are public, and the Department must publicly respond to each of the Office's inspection reports. Each inspection and thematic report generally involve multiple site visits, meetings, debriefs, and updates. The Department has opportunities to demonstrate improvements and also to challenge the Office's findings. The Ombudsperson meets monthly with the DOC Commissioner and biweekly with the Governor's Office to discuss observations, areas of concern, potential solutions, and outcomes following policy and practice changes. The Office also makes on-site rounds at every facility every week.

In April 2024, the Office issued a thematic report on family visits and phone calls based on statewide data tracked over the course of a year, and survey responses at four state prisons. The report recommended clearer limits on when phone privileges can be taken away and for how long, elimination of telephone sanctions imposed on top of RHU sanctions, allowing people with phone-related sanctions to contact their families at least every 2-3 weeks, and notifying family members when their loved one's phone access has been restricted. It does not appear that the Department has enacted these recommended changes in policy.

In October 2024, the Office issued a public report with findings from three inspections of the Restorative Housing Unit (RHU) at Northern State Prison, the largest RHU in the state. That report described dangerous and disturbing conditions, many of which were addressed, and recommended

Discussion Points (Cont'd)

that the Department reduce the RHU population and routinely audit access to health care services for people housed there. The Department is currently undertaking a policy reform effort aimed at reducing the RHU population and has issued a temporary moratorium on RHU placements for drug-related charges. The Ombudsperson Office continues to monitor and be concerned about health care access in the RHUs and the population receiving very little out-of-cell time. Between inspections, the Northern State Prison leadership addressed concerns surfaced by the Office about sanitation, personal hygiene, toilet paper, trash pick-up, laundry, outdoor recreation time, programming, and daily rounds made by social services. The Department was responsive to concerns raised about under-staffing in the RHU and assigned a large portion of the most recent graduating class from the Training Academy to work at Northern State Prison.

In addition to the policy recommendations discussed above, the physical infrastructure of the RHUs at Northern State Prison and New Jersey State Prison pose barriers to reform. They're simply not designed to accommodate programming, out-of-cell activities, or mental health care in a confidential or clinical setting.

The Department of Corrections disciplinary system is focused on taking away privileges (freedom of movement, access to entertainment and commissary items, access to the phone, etc.). These sanctions would serve as a bigger deterrent if the general population in prison were getting more out-of-cell time and engaging in more purposeful activity. Increased attention and investment in meaningful work, vocational training, programs, activities, and leadership opportunities creates a larger incentive for people to avoid behavior that would land them in the RHU.

34. According to the Office of the Corrections Ombudsperson's 2024 Annual Report, 96 percent of the office's budget is dedicated to staffing costs. The office reports that in the past year, its staff members were onsite in State prisons a total of 995 times, averaging roughly four staff members in State prisons each weekday, and that staff conducted more than 1,300 face-to-face meetings to discuss individual-level concerns.

- ***Questions:*** **How does the office determine its staffing needs and allocation of resources across its various divisions and functions? Given that 96 percent of its budget is dedicated to staffing costs, does the office have adequate resources for technology, training, and other operational needs? Has the office conducted an analysis to determine the optimal staff-to-facility ratio needed to fulfill its oversight mandate effectively?**

The Office of the Corrections Ombudsperson is in but not of (IBNO) Treasury and per statute is independent of Treasury. All answers below were provided by the Ombudsperson.

The large majority of the Office's staff resources (18 out of 26 staff members) are dedicated to running a call center and triaging and responding to individual complaints of mistreatment. The Office utilizes a case management system for these individual complaints that tracks pending/unresolved contacts in real time by facility. Assistant Ombudspersons on the Field Team are each assigned to a specific facility, and the Field Team's Assistant Division Director makes re-assignments as needed, based on the caseload and number of pending cases. At each of the two largest facilities, the Ombudsperson Office has dedicated two staff members, and at times assigns other Assistant Ombudspersons to assist in addressing pending contacts. Other facilities are assigned to an individual Assistant Ombudsperson

Discussion Points (Cont'd)

who builds relationships with decision-makers at the facility and develops expertise in the operations and services at that facility. Some of the office's staffing needs are determined by area of specialization. For example, most health-care-related complaints are investigated/addressed by an Assistant Ombudsperson with health care expertise who is not assigned to a particular facility.

The Assistant Ombudspersons on the Field Team take on an average of 125 contacts per person each month. Data from January and February of 2025 show 87% of complaints received were addressed or resolved within a month, and 98% were addressed or resolved within three months. The Office's current staffing ratio appears to make the workload manageable when it comes to individual-level complaints.

Various mandates in the Dignity Act (P.L.2019, c.288) have expanded the scope of the Office's work beyond investigating individual complaints, and over the past three years, the Office has hired staff to manage external affairs (community and legislative engagement), and also hired staff to conduct inspections, data analysis, record reviews, and reporting on systemic issues that impact large portions of the incarcerated population.

Because of the volume and constant influx of individual-level complaints, it has not seemed feasible for the staff members investigating complaints to also take on large-scale systemic monitoring projects. These large-scale projects often take months and involve facility inspections, analysis of records and data, and extensive research and writing. To meet the Office's mandate, we've created a separate Systemic Monitoring division that can focus on those inspections and projects without getting drawn into phone calls and letters from individuals.

The office currently has adequate resources for technology, training, and other operational needs.

Unclaimed Property Administration

35. For the third consecutive year, New Jersey's Unclaimed Property Administration (UPA) broke its record for returning missing assets to rightful owners. In FY 2024, UPA returned $261.4 million in assets through 109,181 claims paid, surpassing the previous record of $203.0 million set in FY 2023. According to a press release, the agency conducted significant outreach efforts, including holding 40 public events and collaborating with legislative district offices.

- ***Questions:*** **What specific operational improvements has the UPA implemented that have contributed to the significant increase in returned assets? How does New Jersey's success rate in returning unclaimed property compare to other states? What is the current total value of unclaimed property held by the State? What outreach strategies have proven most successful in connecting residents with their unclaimed property?**

In addition to expanded outreach efforts, a number of system upgrades and enhancements aimed at streamlining processes and focused on identification authentication and fraud protection, have no doubt contributed to the UPA's record-breaking success over the last few years. The Unclaimed Property Administration is currently holding $6.5 billion in unclaimed property. The UPA's annual Legislative District Project is by far the most successful outreach endeavor, followed by the UPA's attendance and participation at community events throughout the state. In addition, the annual

Discussion Points (Cont'd)

Municipalities Project, which was launched in 2023, has also proven to be quite successful with approximately $7.3 million returned thus far.

Discussion Points (Cont'd)

Appendix A

Distribution by income brackets for TY2021

Homeowner

	Total	25K or less	25K - 50K	50K - 75K	75K - 100K	100K - 125K	125K - 150K	150K - 175K	175K - 200K	200K - 225K	225K – 250K
Total	1,320,296	437,813	108,980	146,710	137,680	129,788	102,404	93,024	72,263	53,875	37,759
65 or disabled	545,336	340,731	38,529	45,228	28,584	28,375	14,102	19,444	13,769	9,778	6,796
not 65 or disabled	774,960	97,082	70,451	101,482	109,096	101,413	88,302	73,580	58,494	44,097	30,963

Tenant

	Total	15K or less	15K - 30K	30K - 45K	45K - 60K	60K - 75K	75K - - 100K	100K – 125K	125K - 150K
Total	651,476	240,505	81,542	101,641	76,688	55,022	54,625	27,832	13,621
65 or disabled	105,193	76,397	9,026	7,034	4,608	3,112	2,821	1540	655
not 65 or disabled	546,283	164,108	72,516	94,607	72,080	51,910	51,804	26,292	12,966

Distribution by income brackets for TY2020

Homeowner

	Total	25K or less	25K - 50K	50K - 75K	75K - 100K	100K - 125K	125K - 150K	150K - 175K	175K - 200K	200K - 225K	225K – 250K
Total	1,273,815	425,531	114,085	130,283	123,565	137,221	111,348	86,824	65,608	47,462	31,888
65 or disabled	520,369	339,840	39,155	28,086	16,875	35,363	23,555	15,424	10,407	7,092	4,572
not 65 or disabled	753,446	85,691	74,930	102,197	106,690	101,858	87,793	71,400	55,201	40,370	27,316

Tenant

	Total	15K or less	15K - 30K	30K - 45K	45K - 60K	60K - 75K	75K - - 100K	100K – 125K	125K - 150K
Total	616,725	227,738	86,830	94,041	70,186	49,533	49,417	25,923	13,057
65 or disabled	106,123	79,671	9,214	6,331	4,004	2,472	2,060	1647	724
not 65 or disabled	510,602	148,067	77,616	87,710	66,182	47,061	47,357	24,276	12,333

Distribution by income brackets for TY2019

Homeowner

	Total	25K or less	25K - 50K	50K - 75K	75K - 100K	100K - 125K	125K - 150K	150K - 175K	175K - 200K	200K - 225K	225K – 250K
Total	1,124,588	348,472	113,929	123,282	115,718	133,664	109,405	85,605	63,791	44,997	30,725
65 or disabled	486,143	295,354	45,472	28,811	16,535	36,349	24,605	16,264	10,813	7,095	4,845
not 65 or disabled	683,445	53,118	68,457	94,471	99,183	97,315	84,800	69,341	52,978	37,902	25,880

Discussion Points (Cont'd)

Tenant

	Total	15K or less	15K - 30K	30K - 45K	45K - 60K	60K - 75K	75K - - 100K	100K – 125K	125K - 150K
Total	437,537	121,490	66,482	74,002	57,288	41,513	42,188	22,847	11,727
65 or disabled	71,286	49,128	7,709	5,238	3,293	2,063	1,727	1404	724
not 65 or disabled	366,251	72,362	58,773	68,764	53,995	39,450	40,461	21,443	11,003

Distribution by rebate amounts for TY2021

Homeowner

	Total	0.01-200.00	200.01-400.00	400.01-600.00	600.01-800.00	800.01-1,000.00	1,000.01-1,200.00	1,200.01-1,400.00	1,400.01-1,600.00	1,600.01-1,800.00
Total	1,320,296	186	353	898	2,154	209,372	3,157	53,227	559,723	491,236
65 or disabled	545,336	138	267	492	1,094	1,610	1,706	51,544	7,113	481,372
not 65 or disabled	774,960	48	86	406	1,060	207,762	1,451	1,683	552,610	9,864

Tenant

	Total	0.01-100.00	100.01-200.00	200.01-300.00	300.01-400.00	400.01-500.00	500.01-600.00	600.01-700.00	700.01-750.00
Total	651,476	1	0	7,812	1,019	544,427	2	55,997	42,218
65 or disabled	105,193	1	0	86	1,019	5,874	0	55,995	42,218
not 65 or disabled	546,283	0	0	7,726	0	538,553	2	2	0

Distribution by rebate amounts for TY2020

Homeowner

	Total	0.01-200.00	200.01-400.00	400.01-600.00	600.01-800.00	800.01-1,000.00	1,000.01-1,200.00	1,200.01-1,400.00	1,400.01-1,600.00	1,600.01-1,800.00
Total	1,273,815	181	382	962	1,937	195,844	3,111	40,393	561,814	469,191
65 or disabled	520,369	133	299	560	965	1,624	1,701	39,205	7,049	468,833
not 65 or disabled	753,446	48	83	402	972	194,220	1,410	1,188	554,765	358

Tenant

	Total	0.01-100.00	100.01-200.00	200.01-300.00	300.01-400.00	400.01-500.00	500.01-600.00	600.01-700.00	700.01-750.00
Total	616,725	63	1	7,739	947	521,290	3	55,542	31,140
65 or disabled	106,123	63	0	263	947	18,170	0	55,540	31,140
not 65 or disabled	510,602	0	1	7,476	0	503,120	3	2	0

Distribution by rebate amounts for TY2019

Homeowner

Discussion Points (Cont'd)

	Total	0.01-200.00	200.01-400.00	400.01-600.00	600.01-800.00	800.01-1,000.00	1,000.01-1,200.00	1,200.01-1,400.00	1,400.01-1,550.00
Total	1,169,588	542	765	1554	2,704	226,446	2,714	3,677	931,186
65 or disabled	486,143	230	449	772	1,334	40,225	1,635	2,286	439,212
not 65 or disabled	683,445	312	316	782	1,370	186,221	1,079	1,391	491,974

Tenant

	Total	0.01-100.00	100.01-200.00	200.01-300.00	300.01-400.00	400.01-500.00
Total	437,537	1,084	1,324	7,388	1,275	426,466
65 or disabled	71,286	169	210	1,007	195	69,705
not 65 or disabled	366,251	915	1,114	6,381	1,080	356,761

Appendix B

2024 EITC

Age Range	Number	Amount of EITC		Filing Status	Number	Amount of EITC
< 18	70	$95,671		Single	194,493	$86,210,437
18-19	10,284	$4,674,230		Married/Joint	84,893	$113,921,398
20-29	130,161	$107,553,187		Married/Sep	2,688	$4,009,694
30-39	154,226	$201,076,884		Qual Widow	250,819	$360,403,301
40-49	114,074	$149,235,954		Head of House	369	$473,430
50-59	67,722	$68,673,096				
60-69	37,307	$22,927,752				
70-79	12,016	$5,171,042				
80-89	2,397	$815,966				
90-99	61	$16,813				

2023 EITC

Age Range	Number	Amount of EITC		Filing Status	Number	Amount of EITC
< 18	106	$139,542		Single	278,762	$97,942,563

Discussion Points (Cont'd)

18-19	16,388	$5,954,737		Married/Joint	109,118	$132,539,758
20-29	156,254	$111,524,487		Married/Sep	2,755	$3,661,285
30-39	177,530	$204,477,091		Qual Widow	275,198	$367,304,850
40-49	135,736	$155,784,064		Head of House	563	$654,789
50-59	92,338	$78,913,053				
60-69	52,757	$26,704,948				
70-79	16,506	$6,155,794				
80-89	3,144	$964,309				
90-99	61	$17,506				

2022 EITC

Age Range	Number	Amount of EITC		Filing Status	Number	Amount of EITC
< 18	98	$130,398		Single	261,735	$84,157,016
18-19	11,602	$4,572,876		Married/Joint	105,541	$118,335,359
20-29	156,855	$104,913,712		Married/Sep	2,422	$2,678,377
30-39	170,830	$182,089,658		Qual Widow(er)	266,870	$331,343,352
40-49	129,906	$137,319,722		Head of House	618	$655,299
50-59	91,411	$71,505,376				
60-69	49,558	$23,175,889				
70-79	14,387	$5,097,199				
80-89	2,788	$792,580				
90-99	76	$25,111				

Discussion Points (Cont'd)

Appendix C

Residents				NonResidents		
TaxYear		Total_Contributions		TaxYear		Total_Contributions
2020	Vietnam Vet	$112,843.90		2020	Vietnam Vet	$2,030.00
2020	Korean	$4,337.33		2020	Korean	$304.00
2020	Veterans Haven	$6,955.92		2020	Veterans Haven	$100.00
2020	Homeless Veterans	$19,520.00		2020	Homeless Veterans	$191.00
2020	Veterans Mem Cemetery	$967.00		2020	Veterans Mem Cemetery	$0.00
2020	NJ Veterans Org	$11,835.20		2020	NJ Veterans Org	$66.00
2020	Yellow Ribbon	$332.00		2020	Yellow Ribbon	$0.00
2020	WWII Veterans' Mem	$3,644.33		2020	WWII Veterans' Mem	$51.00
2021	Vietnam Vet	$111,010.08		2021	Vietnam Vet	$1,466.02
2021	Korean	$4,285.16		2021	Korean	$40.03
2021	Veterans Haven	$5,849.00		2021	Veterans Haven	$43.00
2021	Homeless Veterans	$21,616.36		2021	Homeless Veterans	$77.00
2021	Veterans Mem Cemetery	$1,187.00		2021	Veterans Mem Cemetery	$1.00
2021	NJ Veterans Org	$4,074.00		2021	NJ Veterans Org	$0.00
2021	Yellow Ribbon	$551.00		2021	Yellow Ribbon	$5.00
2021	WWII Veterans' Mem	$3,305.16		2021	WWII Veterans' Mem	$1.00
2022	Vietnam Vet	$103,128.57		2022	Vietnam Vet	$2,318.28
2022	Korean	$4,651.35		2022	Korean	$34.00
2022	Veterans Haven	$5,744.00		2022	Veterans Haven	$200.00
2022	Homeless Veterans	$21,065.25		2022	Homeless Veterans	$337.00
2022	Veterans Mem Cemetery	$1,108.25		2022	Veterans Mem Cemetery	$0.00
2022	NJ Veterans Org	$4,931.65		2022	NJ Veterans Org	$100.00
2022	Yellow Ribbon	$741.00		2022	Yellow Ribbon	$0.00
2022	WWII Veterans' Mem	$2,243.83		2022	WWII Veterans' Mem	$0.00
2023	Vietnam Vet	$90,971.91		2023	Vietnam Vet	$1,241.04
2023	Korean	$6,048.76		2023	Korean	$22.00
2023	Veterans Haven	$7,588.43		2023	Veterans Haven	$145.00
2023	Homeless Veterans	$18,480.60		2023	Homeless Veterans	$5.00
2023	Veterans Mem Cemetery	$682.60		2023	Veterans Mem Cemetery	$0.00
2023	NJ Veterans Org	$6,155.87		2023	NJ Veterans Org	$0.00
2023	Yellow Ribbon	$301.00		2023	Yellow Ribbon	$108.00
2023	WWII Veterans' Mem	$2,352.50		2023	WWII Veterans' Mem	$0.00
2024	Vietnam Vet	$54,331.21		2024	Vietnam Vet	$304.00
2024	Korean	$2,041.33		2024	Korean	$20.00
2024	Veterans Haven	$3,663.00		2024	Veterans Haven	$35.00
2024	Homeless Veterans	$8,535.00		2024	Homeless Veterans	$47.00
2024	Veterans Mem Cemetery	$785.00		2024	Veterans Mem Cemetery	$0.00
2024	NJ Veterans Org	$2,243.00		2024	NJ Veterans Org	$0.00
2024	Yellow Ribbon	$267.00		2024	Yellow Ribbon	$0.00
2024	WWII Veterans' Mem	$675.33		2024	WWII Veterans' Mem	$0.00