

# **New Jersey Turnpike Authority**

## **2021 Annual Budget-in-Brief**

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**10/27/2020**

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**Prepared by – Finance Department  
Donna Manuelli, Chief Financial Officer  
Mukta Puranik, Comptroller**



# Transmittal Letter



## New Jersey Turnpike Authority

1 TURNPIKE PLAZA - P.O. BOX 5042 - WOODBRIDGE, NEW JERSEY 07095  
TELEPHONE (732) 750-5300

PHILIP D. MURPHY  
GOVERNOR

SHEILA Y. OLIVER  
LIEUTENANT GOVERNOR

October 27, 2020

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ULISES E. DIAZ, Vice Chair  
MICHAEL R. DuPONT, Treasurer  
RAYMOND M. POCINO, Commissioner  
RONALD GRAVINO, Commissioner  
JOHN D. MINELLA, Commissioner  
RAPHAEL SALERMO, Commissioner  
JOHN M. KELLER, Executive Director

To: The Board of Commissioners of the New Jersey Turnpike Authority:

We are pleased to submit the 2021 Annual Budget-in-Brief. The 2021 Annual Budget has been prepared consistent with the Authority's Strategic Plan and its mission. This mission is to prudently manage the finances and operations of the New Jersey Turnpike Authority to provide its customers with a safe, efficient, innovative, and resilient toll road system which facilitates mobility in New Jersey and the Northeast United States of America. Fulfilling this mission was complicated in 2020 by the impacts of the COVID-19 pandemic on the Authority's revenues, operations, and employees, and these impacts are expected to continue in 2021 and beyond. The Authority has responded to these notable impacts both prudently and responsibly while continuing its capital investment plans, as will be demonstrated in the 2021 Annual Budget. As you are aware, in 2020 the Authority approved its 2020 Long-Range Capital Plan and implemented the first toll rate increase in nearly eight years to provide a funding stream for the capital projects included in the plan. The 2021 Annual Budget includes nearly \$1 billion in capital project spending, funding necessary state of good repair, safety and capacity enhancement projects. Also, the 2021 Annual Budget includes net revenues sufficient to cover over \$900 million of debt service payments in 2021 on both existing debt and the potential issuance of new money bonds. Included in the 2021 Annual Budget are interest costs on assumed new money borrowings of \$500 million for the 2019 Capital Improvement Program and \$500 million for the 2021-2025 Capital Improvement Program.

Since the adoption of the Strategic Plan, the Authority has been developing additional strategic goals and looking to create greater workforce and roadway efficiencies to support the Strategic Plan. One of those strategies produced is the merger of the Maintenance, Operations and Patron Services Departments. This merger results in a model that is common through dozens of state transportation agencies nationwide. The 2021 Annual Budget reflects this merger, as the new Operations Department includes both the Traffic Division and Maintenance Division. Also included in the 2021 Annual Budget is the implementation of several leading practice recommendations, including the establishment of a rolling five-year capital program and lowering of certain asset capitalization thresholds. The 2021 Annual Budget holds authorized positions at the 2020 level of 2,125, while providing increased funding for COVID-19 safety measures.

The 2021 Annual Budget provides for the necessary personnel and expenditures to operate and maintain the New Jersey Turnpike and Garden State Parkway, two of the nation's busiest and safest toll roads. In addition, the 2021 Annual Budget provides bond covenant coverage exceeding that required by the Turnpike Revenue Bond Resolution and the Authority's Financial Management Principles and Guidelines, as well as meets all contractual payment obligations. Please refer to the detailed budget book, which will be available on the Authority's website.

John M. Keller  
Executive Director

Donna Manuelli  
Chief Financial Officer

## Background

The New Jersey Turnpike Authority (the “Authority”) is a body corporate and politic of the State of New Jersey (the “State”) organized and existing by virtue of the New Jersey Turnpike Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the “Act”). Pursuant to the Act, the Authority has owned and operated the New Jersey Turnpike (the “Turnpike”) since the time the Turnpike opened for traffic in 1951. In July 2003, the New Jersey Highway Authority (the “Highway Authority”) was abolished and the Authority assumed all of the powers, rights, obligations, assets, debts, liabilities and statutory responsibilities and duties of the Highway Authority, including the ownership and operation of the Garden State Parkway (the “Parkway”). As a result, the assets and liabilities of the Authority and the Highway Authority and the ongoing operations, expenses and revenues of the Turnpike and the Parkway are now combined under the ownership and operation of the Authority.

### The Turnpike

The Turnpike is a limited access toll road that serves as part of the I-95 corridor linking the major economic centers of the East Coast. Its connections to a major seaport in Newark and Elizabeth and a major airport in Newark make it an important route for both commercial and passenger vehicles. It also serves New Jersey commuters traveling to and from the major metropolitan areas surrounding Philadelphia and New York City and other employment centers in the State. The Turnpike was the first toll road in New Jersey and the third in the nation when it opened in 1951.

At the time the Turnpike opened in 1951, it was 118 miles in length. Today, it consists of a 122-mile mainline and extensions for a total of 148 center lane miles. The center lane miles have grown over the years with the addition of the Newark Bay Hudson County Extension (1956), the Pearl Harbor Memorial Turnpike Extension (1956), the Western Spur (1970) and the I-95 Extension (1992). The I-95 Extension is considered part of the mainline center lane miles. The mainline connects to the George Washington Bridge in the north, and the Delaware Memorial Bridge in the south. To the east it connects with the Lincoln and Holland Tunnels and the Outerbridge Crossing, and to the west with the Delaware River Turnpike Bridge. Originally four lanes for its full length, the Turnpike is now as wide as 14 lanes in some areas with the completion in November 2014 of the Interchange 6 to 9 widening as part of the 2008 \$7 Billion Capital Improvement Program.

### The Parkway

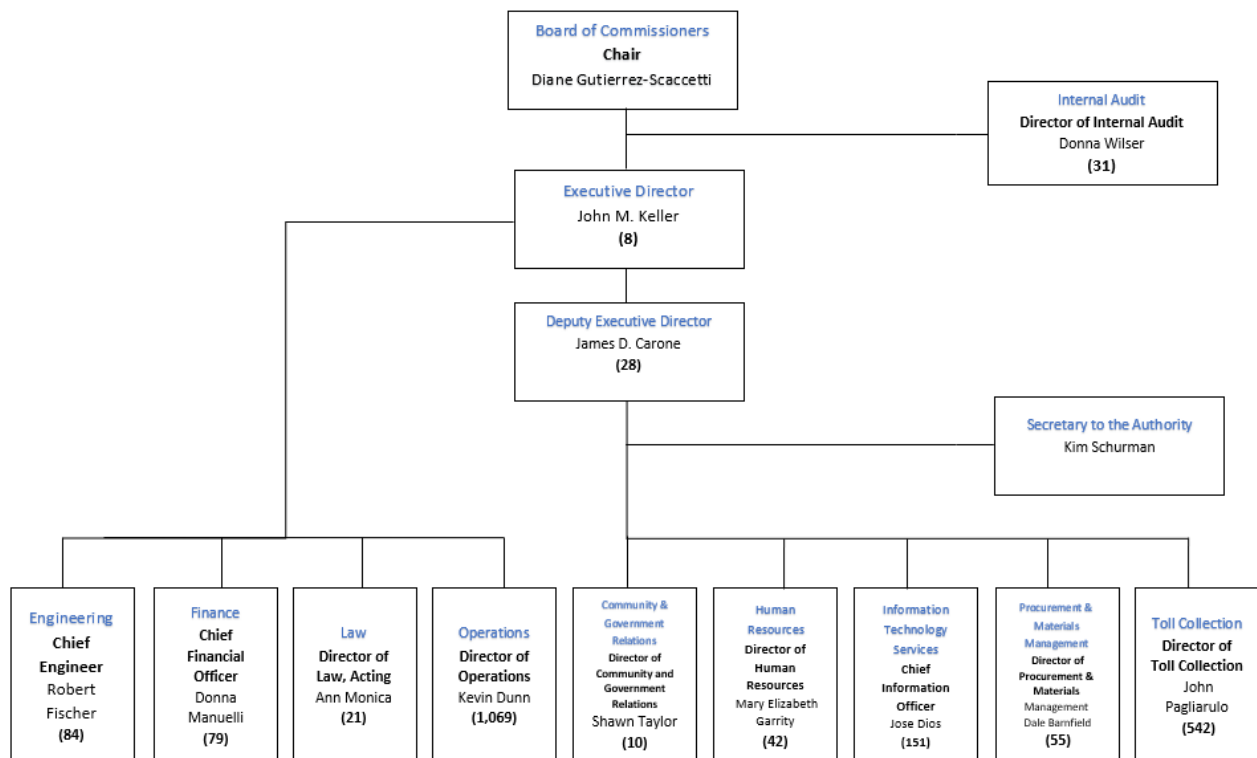
The Parkway opened to traffic in 1954. Originally 168 miles in length, today the Parkway is a 173-mile limited access toll road with connections in the south to Route 9 near Cape May, New Jersey, and in the north to the New York State Thruway at the New York-New Jersey border near Spring Valley, New York. The Parkway interchanges are numbered according to their distance from the southern terminus.

The northern section of the Parkway serves the metropolitan suburban areas in Bergen, Union, Essex, and Passaic Counties near Newark and New York City. In addition to being heavily used by commuters, the location of many businesses and industrial complexes in or near the Parkway corridor has resulted in significant local business traffic. The Parkway also is the principal highway route between metropolitan Newark-New York City and the New Jersey seashore. Heavy trucks are not allowed north of Interchange 105. The Parkway is now as wide as 15 lanes in some areas, and most recently was widened to six lanes with the completion in 2018 of the final phase of the widening between mileposts 35 and 80 as part of the 2008 \$7 Billion Capital Improvement Program.

## Leadership

Member	Position
Diane Gutierrez-Scaccetti	Chair
Ulises E. Diaz	Vice Chair
Michael R. Dupont	Treasurer
Raymond M. Pocino	Commissioner
Ronald Gravino	Commissioner
John D. Minella	Commissioner
Raphael Salermo	Commissioner

## Organization Chart



- Departmental full-time employee count is shown in parenthesis
- The Organization chart shows the merger of operations, maintenance and patron service division effective October 19, 2020, to create greater workforce and roadway efficiencies

Exit 125 on the Garden State Parkway looking North Bound



## **Vision Statement**

To be the premier toll road agency in the United States of America

## **Mission Statement**

To prudently manage the finances and operations of the New Jersey Turnpike Authority to provide our customers with a safe, efficient, innovative, and resilient toll road system, which facilitates mobility in New Jersey and the Northeast United States of America.

## **Core Values**

The Authority's core values are a commitment to:

Safety  
Diversity  
Innovation  
Transparency  
State of Good Repair  
Customer Satisfaction  
Resiliency & Sustainability  
Long Term Financial Stability



## The Strategic Plan

The Authority adopted a 10-year Strategic Plan (2020-2029) on August 27, 2019. The plan includes performance measures for the key goals of the Authority, which are listed below. The Authority is working to measure, monitor and report its performance against these key goals on a quarterly basis.

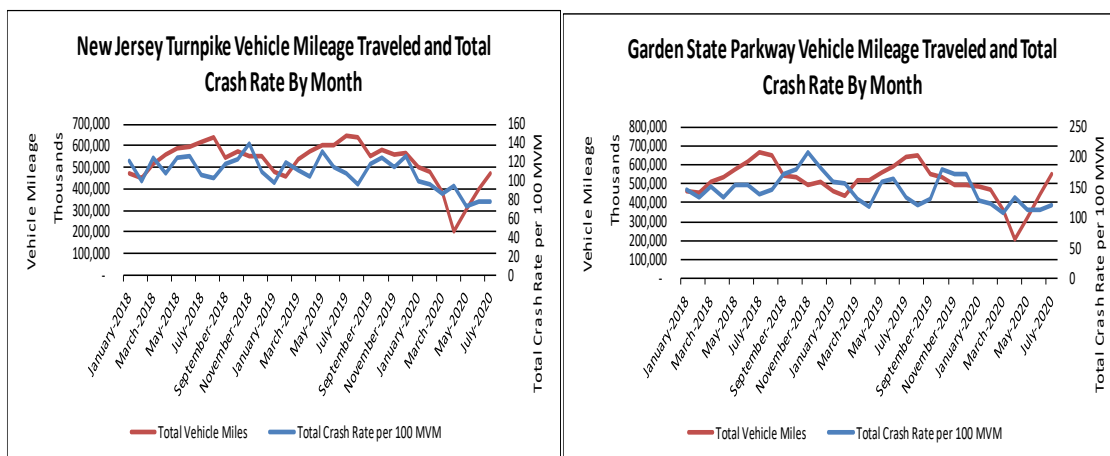
### The Key goals are –

- **Safety** – (Crashes and fatalities, Toll collection personnel incidents, maintenance and contractor personnel incidents, service area and park and ride safety)
- **Financial Strength** – (Credit strength, Cost effective operations, Capital funding approach, Reserve funding and Debt Capacity)
- **Mobility** – (Vehicle throughput, Traffic balancing, Emerging tolling and vehicle technologies, Multi-modal connectivity through regional co-ordination)
- **State of Good Repair** - (Safeguarding Authority's infrastructure assets by maintaining pavements, bridges, drainage system, signage, lighting and facilities)
- **People** – (Customer satisfaction, Staffing needs, Retention of high-quality staff, Succession planning and Talent acquisition)

### Goals and Accomplishments - Safety

**Goal:** Implement new emergency response resources such as helipads and access gate points in Bergen, Burlington, Cape May, Gloucester and Ocean Counties

**Accomplishment:** Total crash rate per 100 Million Vehicle Miles on the Turnpike and Parkway decreased significantly



### Financial Strength

**Goal:** As of December 31st, have minimum general reserve balance equal to 10% of the 2021 budgeted revenue. The 2021 revenue budget is \$2,149,468,000. Therefore, the minimum general reserve balance should be at least \$215,000,000

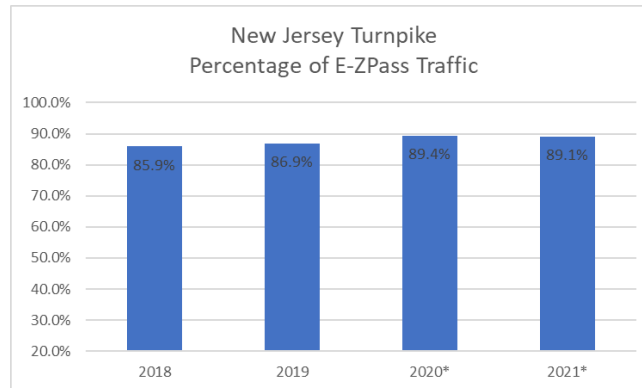
**Accomplishments:** Despite traffic and revenue losses due to the global pandemic, met all bond covenants and continued funding the construction projects. Fitch has affirmed 'A' rating and maintains the positive outlook on April 2, 2020. Achieved cash flow savings in 2020 of about \$180 million at minimal net present value cost by debt restructuring.

New Jersey Turnpike Authority Bond Ratings		
Credit Rating Agency	2019 Bond Ratings	2020 Bond Ratings
Moody's Investors Services Inc	A2	A2(Stable Outlook)
S&P Global Ratings	A+	A+(Negative Outlook)
Fitch Ratings	A (positive outlook)	A (positive outlook)

## Mobility

**Goal:** Implement the replacement system for OpenREACH to maintain essential regional transportation communications

**Accomplishment:** Installation of High-Speed E-ZPass lanes at Interchange 6 and the New Gretna Toll Plaza and started installation of next generation Hybrid Changeable Messaging Signs

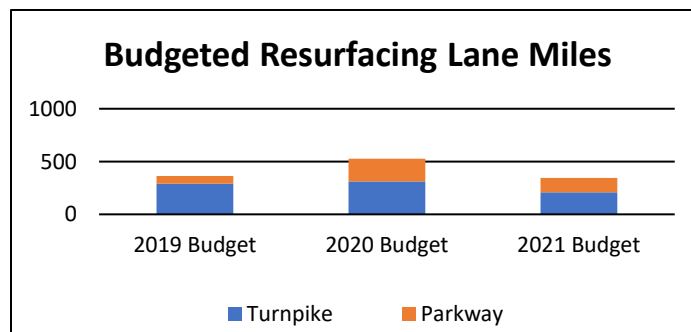


\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

## State of Good Repair

**Goal:** Maintain and continue to improve the condition of the mainline pavement on the Turnpike and Parkway

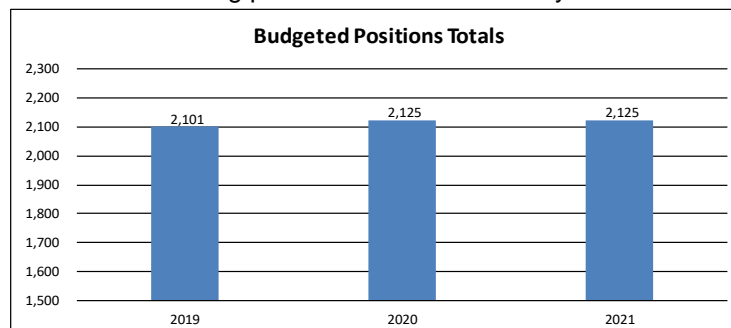
**Accomplishments:** Improved the overall condition of the mainline pavement on the Turnpike and Parkway placing over 400,000 tons of asphalt on both roadways. Completed the planning and programming phase for the Maintenance Division Lighting Management Program



## People

**Goal:** Implement the new occupational health provider contract for the Authority

**Accomplishments:** Authority preserved its full payroll; retaining all full and part-time employees throughout the pandemic. Adopted Toll by Mail program for approximately 2 months for the safety of the customers and employees. Successfully completed remodeling of three service areas during pandemic to avoid inconvenience to the motoring public on both the roadways



## Executive Summary

The Authority operates two well-established highways, one of which serves as a critical link along the I-95/Northeast Corridor and both of which allow for north-south travel in New Jersey. The roads serve a densely populated and extremely wealthy region. Most of the traffic is non-discretionary and the demand for the roads has proven to be inelastic.

In July 2003, the New Jersey Turnpike Authority and New Jersey Highway Authority were consolidated. Combining two major agencies -- each of which was operating a premier toll road, the New Jersey Turnpike and the Garden State Parkway -- into a single agency was no small order. But more than seventeen years later, the singular agency continues to be recognized as a first-class agency among peer public agencies in the transportation and tolling industries. The Authority is consistently ranked at the top of toll road agencies in the United States for vehicle miles traveled and revenue.

During 2020 the Authority, much like other transportation agencies throughout the United States, has experienced unprecedented impacts from the COVID-19 pandemic on its traffic and revenue. The Authority's prudent financial and operational planning has allowed it to continue to meet all its financial obligations. The 2021 Annual Budget has been developed consistent with the Authority's Strategic Plan, the 2020 Long-Range Capital Plan, and the 2020 toll rate increases which were designed to provide a stable funding source for capital needs. The 2021 Annual Budget also addresses state of good repair needs, and safety for both customers and employees. The Authority is able to meet its funding needs and obligations in 2021, despite the continued negative impacts of the pandemic. On a budget to budget basis, traffic and toll revenue are forecasted to increase in 2021 compared to the 2020 budget by about 17.6%, due primarily to the full year impact of the toll rate increase. However, when compared to 2020 estimated actual results, traffic is expected to increase over 2020 levels, as the reduction in traffic experienced in 2020 from the COVID-19 pandemic is expected to partially return in 2021. Toll revenue is forecasted to increase over 2020 estimated actual amounts due in part to the increase in traffic but also due to the full year impacts of the toll rate increase that went into effect on September 13, 2020. The 2021 toll revenue budget is based upon projections contained in an updated Traffic and Revenue Forecast by CDM Smith dated October 2020. While toll revenue is expected to increase overall by 36% over 2020 levels, the increase would have been even higher if not for the assumption of continued COVID-19 impacts on travel, commuting and the economy. In 2021, COVID-19 related impacts are expected to reduce revenue by about 10%, compared to an expected reduction of 21% from COVID-19 in 2020. Stated differently, toll revenue would have been projected to increase by 46% in 2021, if not for the lingering impacts of COVID-19 on 2021 traffic volumes.

The Operating Expense budget is increasing by 3.9%, which includes increases in credit card and money counting fees directly related to the toll increase, and additional COVID-19 related costs primarily for cleaning and supplies. When excluding these unusual items, the Operating Expense Budget is increasing by 2.4%, which is lower than the 2020 increase. Additionally, when excluding pension and health benefit increases, the 2021 Operating Expense Budget is increasing by only 1.4%. Authorized positions are being held flat with 2020 budgeted levels.

Most notably, the 2021 Annual Budget includes nearly \$1 billion for capital spending. This includes spending on both existing capital programs and on the new 2021-2025 Capital Improvement Program, which is derived from the 2020 Long-Range Capital Plan. The 2021 Annual Budget provides sufficient revenue and bond proceeds to meet capital spending needs. Finally, the 2021 Annual Budget projects debt service coverage of 1.66%, which is above both Bond Resolution covenants and Financial Policy targets.



A summary of the 2021 Annual Budget is as follows:

<b>Revenue</b>			
<b>In Thousands</b>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>
Toll Revenue	\$ 1,612,268	\$ 1,633,298	\$ 1,920,741
Other Revenue	249,737	231,645	228,727
<b>Total</b>	<b>\$ 1,862,005</b>	<b>\$ 1,864,943</b>	<b>\$ 2,149,468</b>

#### SIGNIFICANT REVENUE HIGHLIGHTS:

- Toll Revenue on the New Jersey Turnpike is expected to increase 18.6% compared to the 2020 budget and on the Garden State Parkway by 14.8% primarily reflecting the toll rate increase that went into effect on September 13, 2020. In 2020, year-to-date toll revenue is below budget due the impact of the COVID-19 pandemic and when adjusting for estimated actual results, the 2021 budget represents a 36% increase in toll revenue.
- CDM Smith's October 2020 Traffic and Revenue Forecast reduced the prior toll revenue forecast by about 3%, or \$400 million, between 2021 and 2025 due to the lingering impacts of the pandemic on travel, commuting and the economy. The forecast is based on unemployment rates remaining above 4% until 2023, economists' predictions of gradual but protracted growth, and employee's preference for partial telecommuting. The updated forecast now projects a total reduction in traffic and revenue in 2021 from the pandemic of about 10%, compared to the prior estimate of about 6%.
- All other revenue sources in total are down about \$3 million, or less than 2%, compared to the 2020 Budget, due mainly to interest income which is lower based on declining short-term interest rates.

<b>Expenses</b>			
	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>
Operating Expenses	\$ 530,935,000	598,971,000	622,324,000
Debt Service	824,281,000	842,699,000	920,757,000
General Reserve	308,232,000	415,531,000	395,841,000

<b>Capital Budget</b>			
	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>
Maintenance Reserve	\$ 121,421,000	255,942,000	1,043,332,000
Special Project Reserve	40,340,000	83,896,000	275,348,000
Supplemental Capital	85,236,000	176,683,000	201,315,000
Passaic River Bridges Rehabilitation	11,979,000	132,134,000	-

<b>Capital Improvement Program</b>			
	<b>Budget</b>	<b>Spent/Committed</b>	<b>% Complete</b>
2021-2025 Capital Improvement Program	\$2,791,969,940	-	0%
2019 Capital Improvement Program	672,857,263	456,157,000	68%
2008 \$7 Billion Capital Improvement Program	7,000,000,000	6,960,413,000	99%

**SIGNIFICANT SPENDING HIGHLIGHTS/CHALLENGES:**

- The 2021 Operating Expense Budget is \$622.3 million, which includes two unusual items totaling about \$8.9 million.
  - Additional funds are needed to cover increased toll collection costs due to higher fees for money counting and credit card processing related to higher dollar volumes due to the recent toll rate increase.
  - Additional funds are also needed to support COVID-19 related expenses for extra cleaning and supplies in anticipation of the pandemic continuing into 2021.
- The 2021 Operating Expense budget also includes provisions for higher pension and health benefit expenses and state police costs, while authorized positions are held flat with 2020 levels. Without the unusual increases, the 2021 Operating Expense budget is only increasing by about 2.4% compared to the 2020 budget. This increase is lower than the 2020 Operating Expense Budget increase of 2.8%. When excluding pension and health benefit increases, the increase in the 2021 budget is only 1.4%.
- The 2021 Operating Expense Budget provides \$38.1 million for snow and severe weather costs, which represents the budget level that has been maintained for the past six years. The number and severity of weather events is unpredictable and could put pressure on the Operating Expense Budget. In addition, the budget includes assumptions on pension payments, health benefit costs and E-ZPass transaction and credit card processing fees, all of which are highly variable. Changes from the current budget assumptions in any of these areas could put pressure on the 2021 Operating Expense Budget.
- The 2021 Debt Service Budget is increasing by about \$78 million to \$921 million, or about 9.3%, as compared to the 2020 Debt Service Budget. Debt service is increasing primarily due to full year of interest on an assumed new money issuance in late 2020 of \$500 million for the 2019 CIP, and an additional \$500 million issuance in 2021 to fund the 2021 – 2025 CIP which is part of the 2020 Long-Range Capital Plan. By the end of 2021, the Authority is expected to have about \$11.8 billion of debt outstanding. Debt Service requirements currently equal 43% of 2021 total budgeted revenue.
- The 2021 General Reserve Fund Budget includes funding for extraordinary weather events, contractual state payments, and transfers for revenue funded capital projects that are part of the Supplemental Capital Program in the Construction Fund. The 2021 budget anticipates a successor State Transportation Projects Funding Agreement to be effective when the current agreement expires on June 30, 2021.
- Both the Operating Expense Budget and the Capital Spending Budgets reflect the adoption of several leading practice recommendations concerning asset capitalization thresholds and adoption of rolling 5-year spending budgets. These recommendations serve to strengthen the Authority's planning, budgeting and financial reporting.
- The Capital Spending Program Budget totals over \$5.2 billion between 2021 – 2025, or an average of just over \$1 billion per year. This spending is about 29% from revenue, and 69% from bond proceeds. The Capital Spending Program Budget includes the revenue funded programs in the Maintenance Reserve Fund, the Special Project Reserve Fund, and the Supplemental Capital Program. It also includes the newly authorized 2021-2025 CIP, which is derived from the 2020 Long-Range Capital Plan, the 2019 CIP, and the 2008 \$7 Billion CIP. These programs include projects which maintain a state of good repair, improve safety and provide capacity enhancements.

# Financial Plan

The Authority's current financial plan includes projected revenues, expenses, deposits to reserve funds and financial covenant calculations through December 31, 2025

New Jersey Turnpike Authority Financial Plan							
Fiscal Year Ending 12/31 (In Thousands)	Actual 2019	Estimated/Actuals 2020	Budget 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Turnpike Tolls	\$ 1,176,476	\$ 1,029,206	\$ 1,414,971	\$ 1,524,507	\$ 1,611,284	\$ 1,706,871	\$ 1,798,581
Parkway Tolls	435,792	380,453	505,770	533,546	559,728	588,559	615,668
E-ZPass Fees	80,329	85,232	84,500	86,190	87,914	89,672	91,466
Federal Subsidy for Series 2009 F and Series 2010 A Bonds	76,725	77,765	77,010	77,010	77,010	77,010	77,010
Concession Revenue	33,104	31,549	31,000	33,000	36,000	38,000	38,760
Other Revenue	59,580	35,699	36,217	35,686	36,399	37,127	37,870
<b>Total Revenues</b>	<b>\$ 1,862,006</b>	<b>\$ 1,639,904</b>	<b>2,149,468</b>	<b>2,289,939</b>	<b>2,408,335</b>	<b>2,537,239</b>	<b>2,659,355</b>
Operating Expenses	(530,935)	(558,971)	(622,324)	(637,882)	(653,829)	(670,175)	(686,929)
<b>Total Revenues Available for Debt Service</b>	<b>1,331,071</b>	<b>1,080,933</b>	<b>1,527,144</b>	<b>1,652,057</b>	<b>1,754,506</b>	<b>1,867,064</b>	<b>1,972,425</b>
Future Debt Issuance		500,000	500,000	750,000	1,000,000	1,000,000	1,000,000
Existing Debt Service	(824,281)	(659,401)	(862,957)	(861,480)	(864,409)	(902,279)	(910,055)
Proposed Debt Service on \$500M in 2020 and 2021, \$750M in 2021 & \$1B 2023 onwards	-	(4,817)	(57,800)	(101,150)	(158,950)	(216,750)	(274,550)
<b>Net Debt Service</b>	<b>(824,281)</b>	<b>(664,218)</b>	<b>(920,757)</b>	<b>(962,630)</b>	<b>(1,023,359)</b>	<b>(1,119,029)</b>	<b>(1,184,605)</b>
Total Revenues Available After Debt Service	\$ 506,790	\$ 416,715	\$ 606,387	\$ 689,427	\$ 731,147	\$ 748,035	\$ 787,820
Payments to Charges Fund	-	-	-	-	-	-	-
<b>Cash Flow Available for Reserves</b>	<b>506,790</b>	<b>416,715</b>	<b>606,387</b>	<b>689,427</b>	<b>731,147</b>	<b>748,035</b>	<b>787,820</b>
Maintenance Reserve Fund	(131,468)	(134,097)	(160,000)	(200,000)	(210,000)	(220,000)	(230,000)
Special Project Reserve Fund	(41,300)	(41,300)	(50,000)	(50,000)	(51,500)	(53,045)	(54,636)
<b>Net Revenues Available for General Reserve Fund</b>	<b>334,022</b>	<b>241,318</b>	<b>396,387</b>	<b>439,427</b>	<b>469,647</b>	<b>474,990</b>	<b>503,184</b>
TTF Payments	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Feeder Road Maintenance Agreement	(3,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Existing State Transportation Funding Agreement <sup>(1)</sup>	(154,000)	(135,250)	(77,000)	-	-	-	-
Anticipated Amounts for Additional State Transfers <sup>(2)</sup>			(187,500)	(375,000)	(375,000)	(375,000)	(375,000)
General Reserve Spending	(91,247)	(67,242)	(53,345)	(53,345)	(53,345)	(53,345)	(53,345)
Transfer to Construction Fund Account - Net		(114,829)	(53,496)	(31,283)	(30,800)	(30,035)	(29,000)
<b>Net Annual General Reserve Fund Increase (Decrease)</b>	<b>25,790</b>	<b>(100,503)</b>	<b>546</b>	<b>(44,701)</b>	<b>(13,998)</b>	<b>(7,890)</b>	<b>21,339</b>
<b>Ending General Reserve Fund Balance</b>	<b>440,129</b>	<b>339,626</b>	<b>340,172</b>	<b>295,471</b>	<b>281,473</b>	<b>273,583</b>	<b>294,922</b>
Net Revenues to Debt Service Coverage Ratio	1.61	1.63	1.66	1.72	1.71	1.67	1.67
Net Revenues to Debt Service and Reserves Coverage Ratio	1.34	1.29	1.35	1.36	1.37	1.34	1.34

(1) Includes \$129 annual payments through 6/30/2021 and potential \$6.25 million and \$12.5 million payment towards the debt service on Portal North Bridge Project for 2020 and 2021 respectively

(2) Anticipates \$375 million annual payments are made from 7/1/2021 forward including \$25 million payment towards debt service on Portal North Bridge Project

**Total revenue** – Includes projected toll revenue as per CDM Smith October 2021 forecast, showing a net impact of increase in toll revenue from the toll rate increase and potential reduction in traffic due to the continued travel, commuting and economic impacts of the pandemic at reduced levels each year through 2025

**Operating expenses** – Includes increase in toll collection cost based on higher dollar volume processed and prudent planning for COVID - 19 related expenses for cleaning and equipment in anticipation of pandemic continuing into 2021. Includes 2.5% increases thereafter

**Debt service** – Includes principal and interest payments on current outstanding bonds as well as interest payment on the potential new money issuance as shown to fund 2021 – 2025 Capital Improvement Program, part of the 2020 Long-Range Capital Plan

**Reserve funding** – Includes funding for the Maintenance Reserve Fund and the Special Project Reserve Fund as required by the Bond Resolution and prescribed by the General Consulting Engineers

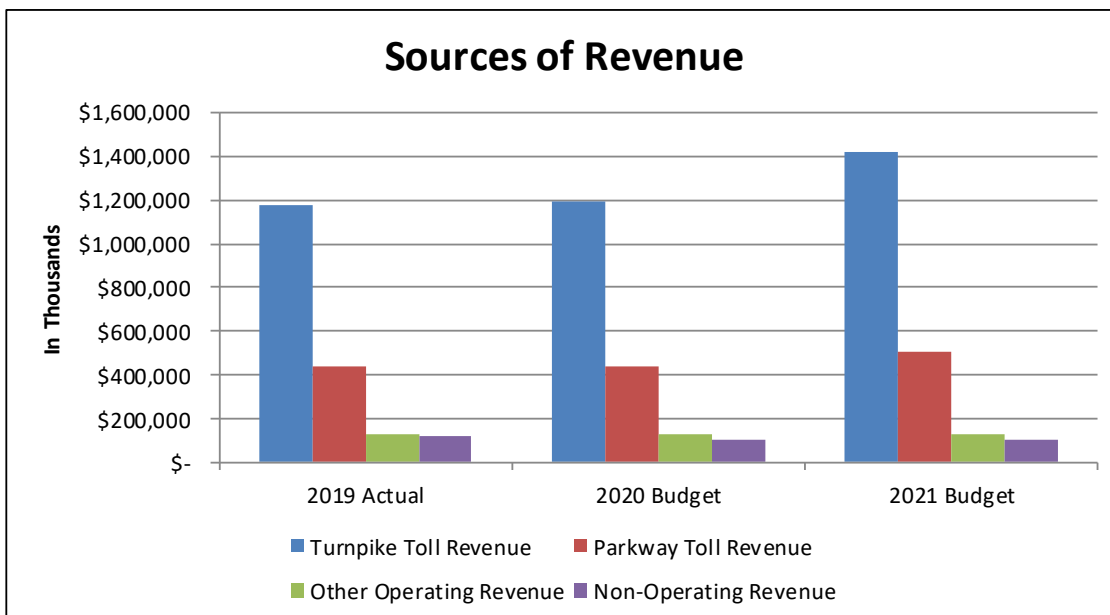
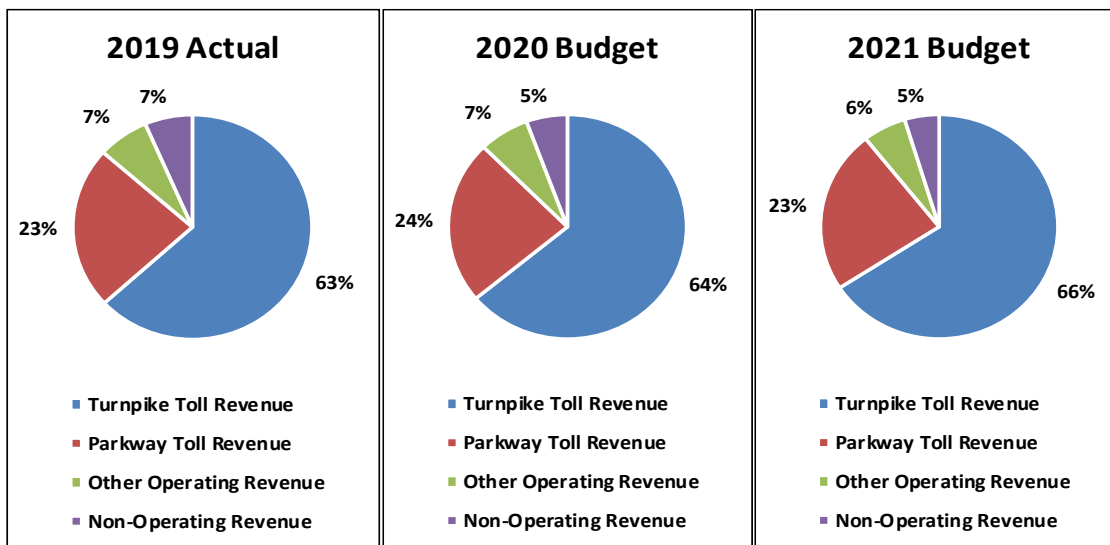
**State payments** – Includes the State Payments based on the existing State Transportation Projects Agreement which will expire on 6/30/2021 and an anticipated successor State Transportation Projects Agreements at \$375 million/year starting 7/1/2021

The Authority's Financial Plan through 2025 projects the Authority to be compliant with its General Bond Resolution Financial covenants, which require debt service coverage of at least 1.20 times and total requirements coverage of at least 1.0 times. In addition, the Authority is projected to be in compliance with its Board approved policies that target debt service coverage of at least 1.40 times, total requirements coverage of 1.20 times, and a minimum unencumbered General Reserve Fund balance of 10% of total annual revenue as of December 31, 2020 and each year thereafter (\$215 million as of December 31, 2021).

## Summary of Major Revenues and Expenses

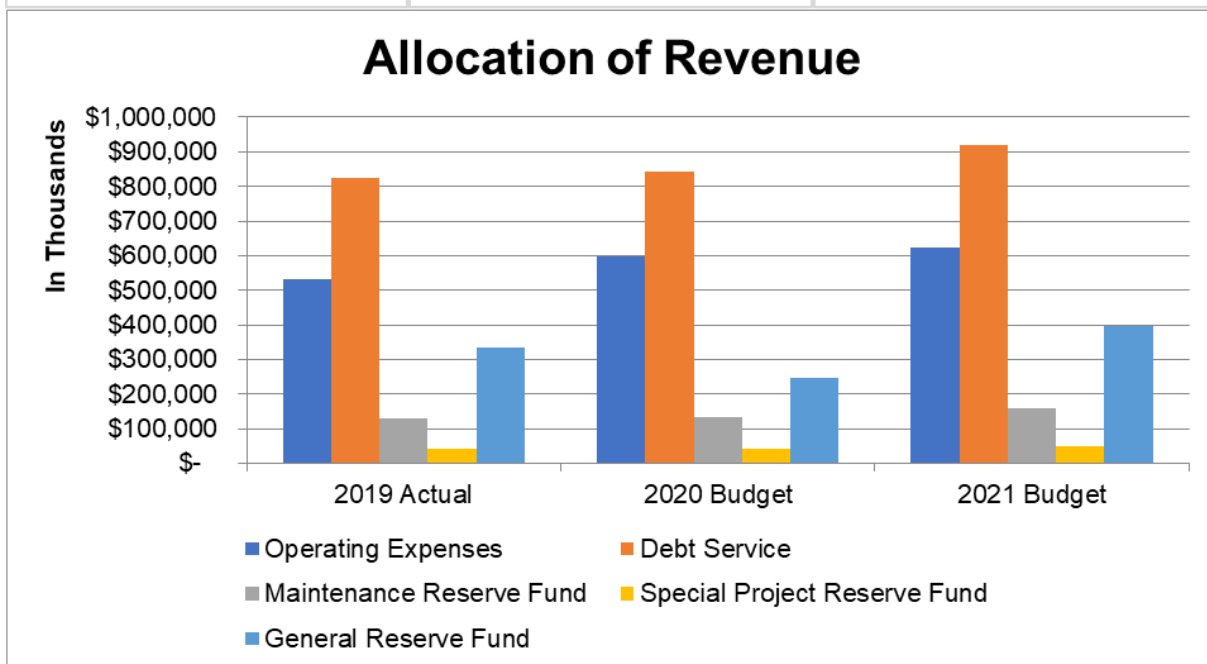
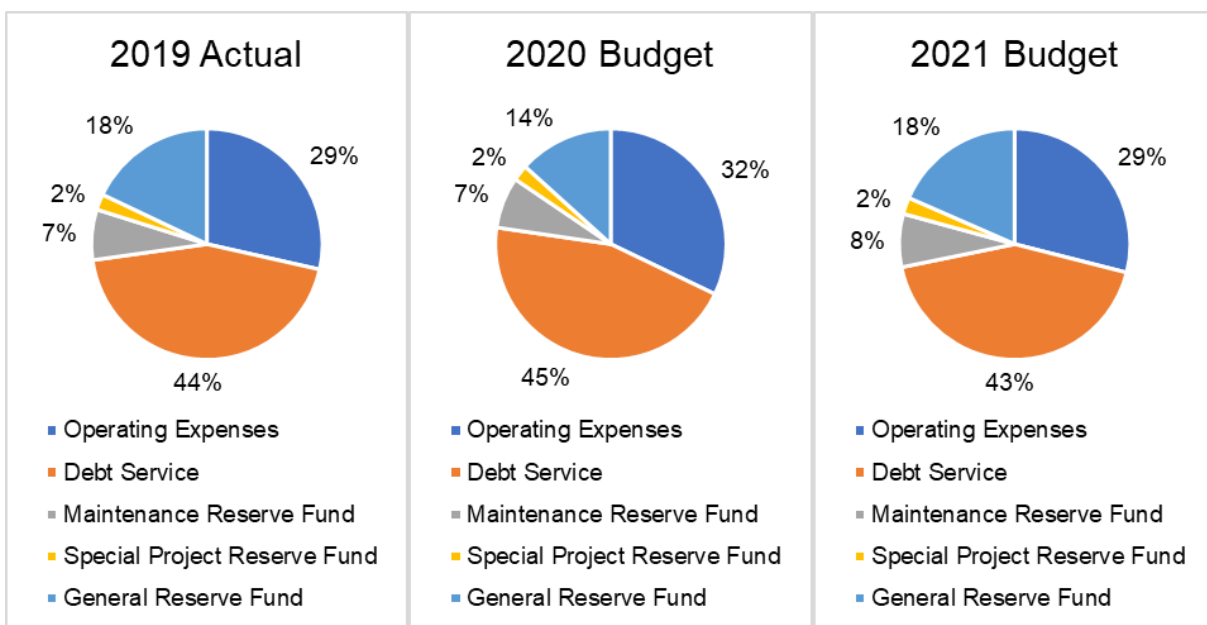
### Sources of Revenue

Sources of Revenue					
(In Thousands)	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Turnpike Toll Revenue	\$ 1,176,476	\$ 1,192,889	\$ 1,414,971	\$ 222,082	18.6%
Parkway Toll Revenue	435,792	440,409	505,770	65,361	14.8%
Other Operating Revenue	129,550	127,397	127,476	79	0.1%
Non-Operating Revenue	120,187	104,248	101,251	(2,997)	-2.9%
<b>Total Revenue</b>	<b>\$ 1,862,005</b>	<b>\$ 1,864,943</b>	<b>\$ 2,149,468</b>	<b>\$ 284,525</b>	<b>15.3%</b>



## Allocation of Revenue

Allocation of Revenue					
(In Thousands)	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Operating Expenses	\$ 530,935	\$ 598,971	\$ 622,324	\$ 23,353	3.9%
Debt Service	824,281	842,699	920,757	78,058	9.3%
Maintenance Reserve Fund	131,468	134,097	160,000	25,903	19.3%
Special Project Reserve Fund	41,300	41,300	50,000	8,700	21.1%
General Reserve Fund	334,021	247,876	396,387	148,511	59.9%
<b>Total Allocation of Revenue</b>	<b>\$ 1,862,005</b>	<b>\$ 1,864,943</b>	<b>\$ 2,149,468</b>	<b>\$ 284,525</b>	<b>15.3%</b>



## Revenue Requirement

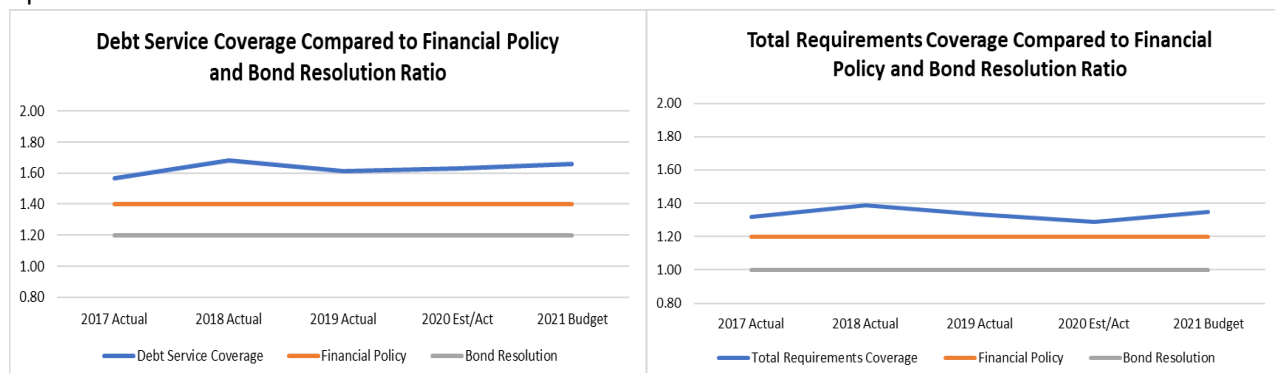
The Revenue Requirement under section 713(b) of the Bond Resolution states that in each calendar year Net Revenue shall at least equal the Net Revenue Requirement for such year. Under Section 101 of the Bond Resolution, Net Revenue is defined as "... for any calendar year or other period of time, the Pledged Revenue during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement is defined as, "an amount equal to the greater of:

- (i) The Sum of the Aggregate Debt Service, Maintenance Reserve Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period; or
- (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

On or before December 1 of each year, the Authority will review its financial condition in order to estimate whether the Net Revenue for such year and for the next succeeding year will be sufficient to comply with the toll covenant. The required calculations are shown below.

<b>Net Revenue Requirement</b>			
<i>(In Thousands)</i>	<b>2019 Actual</b>	<b>2020 Est/Act</b>	<b>2021 Budget</b>
(i) Revenue	\$ 1,862,005	\$ 1,639,904	\$ 2,149,468
Operating Expenses	(530,935)	(558,971)	(622,324)
<b>Net Revenue</b>	<b>1,331,070</b>	<b>1,080,933</b>	<b>1,527,144</b>
Debt Service Requirements	(824,281)	(664,218)	(920,757)
Maintenance Reserve Payments	(131,468)	(134,097)	(160,000)
Special Project Reserve Payments	(41,300)	(41,300)	(50,000)
<b>Total Requirements</b>	<b>\$ (997,049)</b>	<b>\$ (839,615)</b>	<b>\$ (1,130,757)</b>
<b>Excess Revenue</b>	<b>\$ 334,021</b>	<b>\$ 241,318</b>	<b>\$ 396,387</b>
(ii) Net Revenue	\$ 1,331,070	\$ 1,080,933	\$ 1,527,144
1.2X Debt Service	(989,137)	(797,062)	(1,104,908)
<b>Excess Revenue at 1.2X Debt Service</b>	<b>\$ 341,933</b>	<b>\$ 283,871</b>	<b>\$ 422,236</b>
<b>Debt Service Coverage</b>	<b>1.61</b>	<b>1.63</b>	<b>1.66</b>

Based on the above review, Net Revenue for 2020 and 2021 will be enough to meet the Net Revenue Requirement.





## REVENUE BUDGET

Revenue Budget					
<i>(In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Turnpike Toll Revenue	\$ 1,176,476	\$ 1,192,889	\$ 1,414,971	\$ 222,082	18.6%
Parkway Toll Revenue	435,792	440,409	505,770	65,361	14.8%
E-ZPass Fees	80,329	80,050	84,500	4,450	5.6%
Concessions Revenue	33,104	35,557	31,000	(4,557)	-12.8%
Miscellaneous Revenue	16,117	11,790	11,976	186	1.6%
<b>Total Operating Revenue</b>	<b>1,741,818</b>	<b>1,760,695</b>	<b>2,048,217</b>	<b>287,522</b>	<b>16.3%</b>
Federal Subsidy for Build America Bonds	76,725	76,847	77,010	163	0.2%
Federal and State reimbursements	1,006	-	-	-	-
Interest Income	37,766	24,000	20,000	(4,000)	-16.7%
Arts Center Revenues	4,690	3,401	4,241	840	24.7%
<b>Total Non-Operating Revenue</b>	<b>120,187</b>	<b>104,248</b>	<b>101,251</b>	<b>(2,997)</b>	<b>-2.9%</b>
<b>Total Revenues</b>	<b>\$ 1,862,005</b>	<b>\$ 1,864,943</b>	<b>\$ 2,149,468</b>	<b>\$ 284,525</b>	<b>15.3%</b>

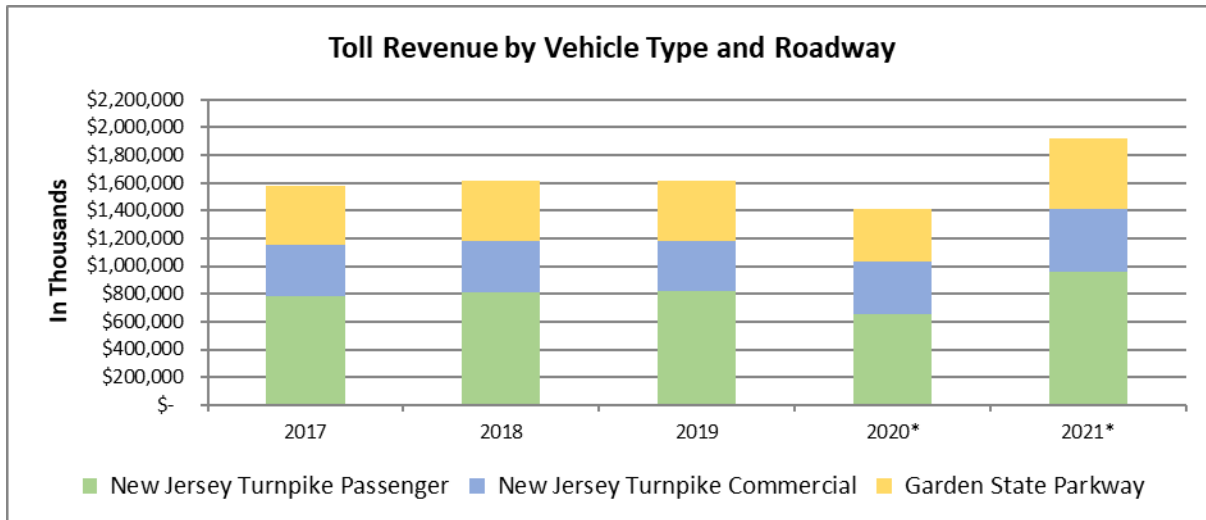
## Key Assumptions:

- Toll Revenue increases compared to 2020 budget are due to the full-year impact of the toll rate increase on 9/13/2020, partially offset by the continued COVID-19 traffic and revenue losses.
- E-ZPass fees are expected to increase due to the increase in violations and number of E-ZPass accounts. To date in 2020, actual E-ZPass fees are above budget.
- Concession revenue is expected to decrease in part due to a reduction revenue share from the diesel fuel gross profit margin and ongoing effects of COVID-19.
- Interest Income is expected to decrease in 2021. The 2021 budget assumes a decrease in interest rates as well as lower invested balances compared to 2020 actuals. 2020 actuals are expected to be under budget.

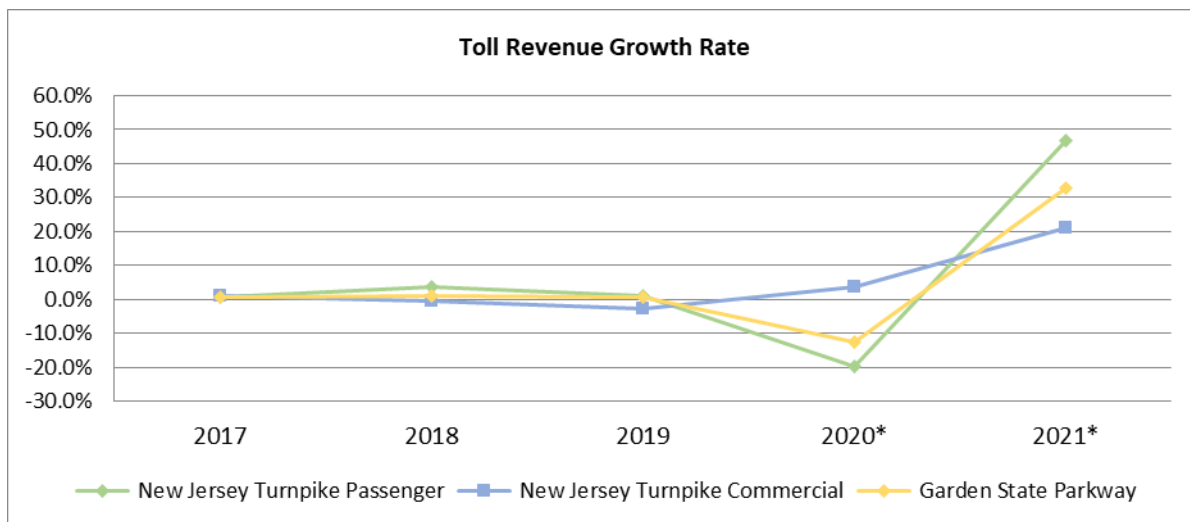
## Toll Statistics

Toll Revenue by Vehicle Type and Roadway					
<i>(In Thousands)</i>	2017	2018	2019	2020*	2021*
New Jersey Turnpike Passenger	\$ 780,182	\$ 808,960	\$ 816,271	\$ 655,604	\$ 963,304
New Jersey Turnpike Commercial	371,557	370,364	360,205	373,602	451,667
<b>New Jersey Turnpike Total</b>	<b>1,151,739</b>	<b>1,179,324</b>	<b>1,176,476</b>	<b>1,029,206</b>	<b>1,414,971</b>
<b>Garden State Parkway</b>	<b>428,157</b>	<b>433,002</b>	<b>435,792</b>	<b>380,453</b>	<b>505,770</b>
<b>Total Authority Toll Revenue</b>	<b>\$ 1,579,896</b>	<b>\$ 1,612,326</b>	<b>\$ 1,612,268</b>	<b>\$ 1,409,659</b>	<b>\$ 1,920,741</b>

\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.



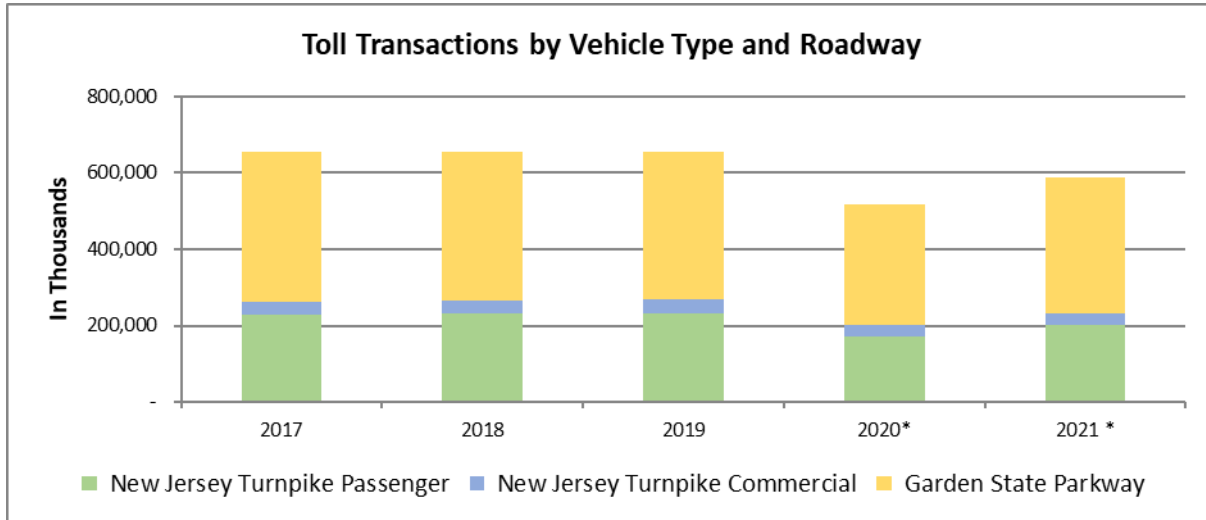
\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.



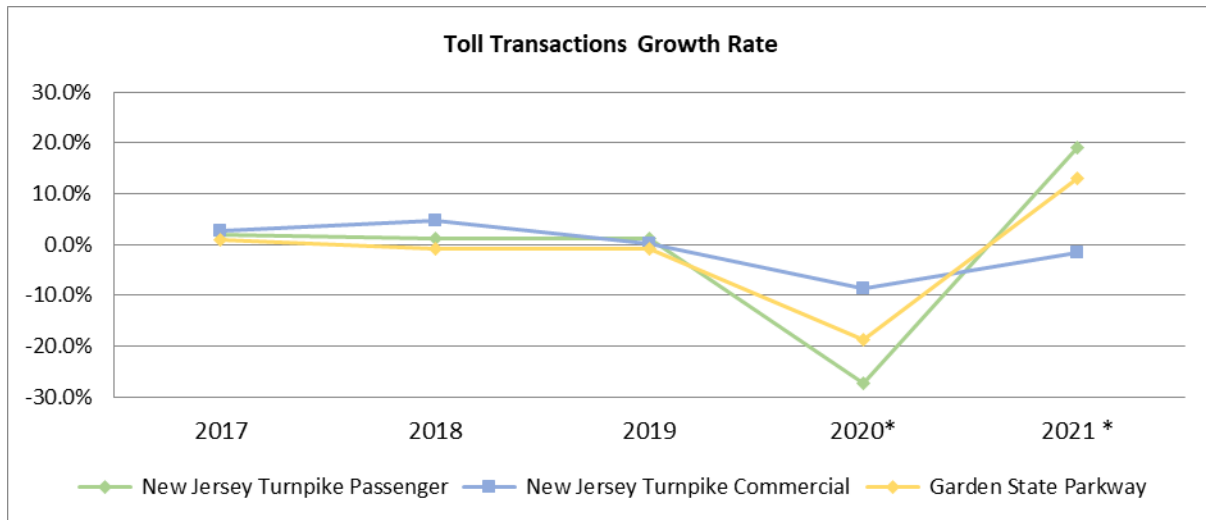
\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

<b>Toll Transactions by Vehicle Type and Roadway</b>					
<i>(In Thousands)</i>	2017	2018	2019	2020*	2021 *
New Jersey Turnpike Passenger	227,979	230,497	233,454	169,834	202,088
New Jersey Turnpike Commercial	32,686	34,251	34,318	31,391	30,859
<b>New Jersey Turnpike Total</b>	<b>260,665</b>	<b>264,748</b>	<b>267,772</b>	<b>201,225</b>	<b>232,947</b>
<b>Garden State Parkway</b>	<b>392,895</b>	<b>389,791</b>	<b>386,750</b>	<b>314,685</b>	<b>355,877</b>
<b>Total Authority Toll Transactions</b>	<b>653,560</b>	<b>654,539</b>	<b>654,522</b>	<b>515,910</b>	<b>588,824</b>

\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.



\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

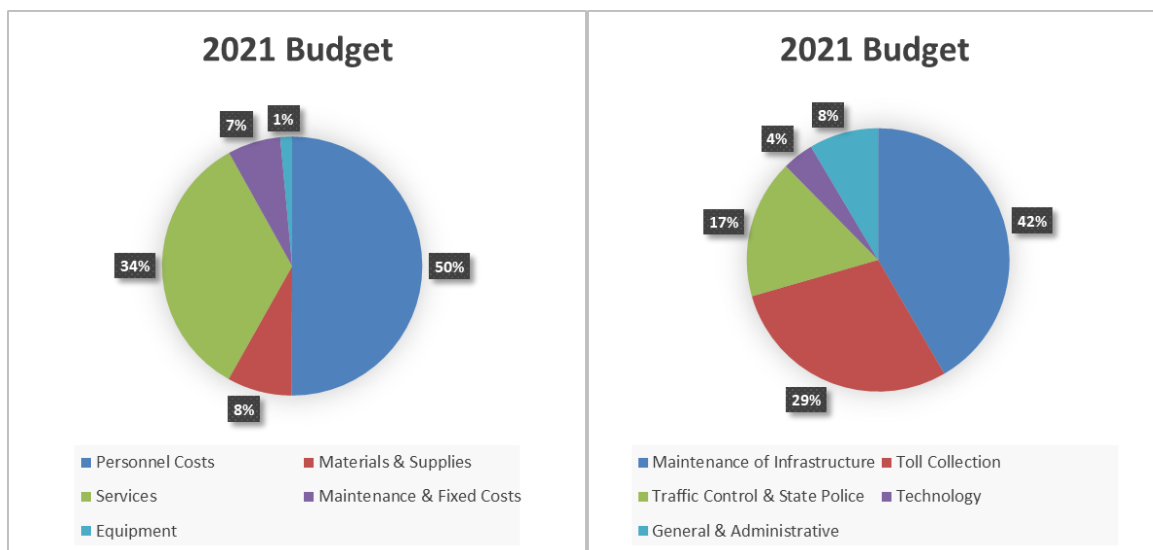


\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

## OPERATING EXPENSE BUDGET

Condensed Operating Expense Budget by Functional Area					
	2019 Actuals	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Maintenance of Infrastructure	\$215,506,800	\$250,576,000	\$258,899,000	\$ 8,323,000	3.3%
Toll Collection	156,309,500	169,995,000	180,137,000	10,142,000	6.0%
Traffic Control & State Police	94,801,700	103,058,200	106,129,000	3,070,800	3.0%
Technology	19,460,600	24,445,100	24,035,000	(410,100)	-1.7%
General & Administrative	44,858,200	50,896,200	53,124,000	2,227,800	4.4%
<b>Total Operating Budget</b>	<b>\$530,936,800</b>	<b>\$598,970,500</b>	<b>\$622,324,000</b>	<b>\$ 23,353,500</b>	<b>3.9%</b>

Condensed Operating Expense Budget by Expense Type					
	2019 Actuals	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Personnel Costs	\$286,108,500	\$305,398,400	\$311,665,000	\$ 6,266,600	2.1%
Materials & Supplies	40,527,200	47,257,700	50,052,000	2,794,500	5.9%
Services	168,327,300	188,093,300	210,479,000	22,385,700	11.9%
Maintenance & Fixed Costs	22,519,700	42,438,700	40,974,000	(1,464,900)	-3.5%
Equipment	13,454,100	15,782,400	9,154,000	(6,628,400)	-42.0%
<b>Total Operating Budget</b>	<b>\$530,936,800</b>	<b>\$598,970,500</b>	<b>\$622,324,000</b>	<b>\$ 23,353,500</b>	<b>3.9%</b>



## Operating Expense - Authorized Positions

Authorized Positions				
				Change from
Departments/Divisions	2019	2020	2021	2020
Maintenance Division	1,007	1,014	982	(32)
Traffic Division	82	87	87	-
Total Operations Department	1,089	1,101	1,069	(32)
Engineering	72	70	84	14
Toll Collection	542	542	542	-
State Police	8	11	28	17
Information Technology Services	152	152	151	(1)
Executive Office	6	8	8	-
Law & Insurance Services	19	21	21	-
Procurement & Materials Management	55	55	55	-
Human Resources & Office Services	42	42	42	-
Finance	80	80	79	(1)
Community & Government Relations	9	9	10	1
Internal Audit	27	29	31	2
<b>Subtotal</b>	<b>2,101</b>	<b>2,120</b>	<b>2,120</b>	<b>-</b>
Contingency	-	5	5	-
<b>NJTA Department Total</b>	<b>2,101</b>	<b>2,125</b>	<b>2,125</b>	<b>-</b>

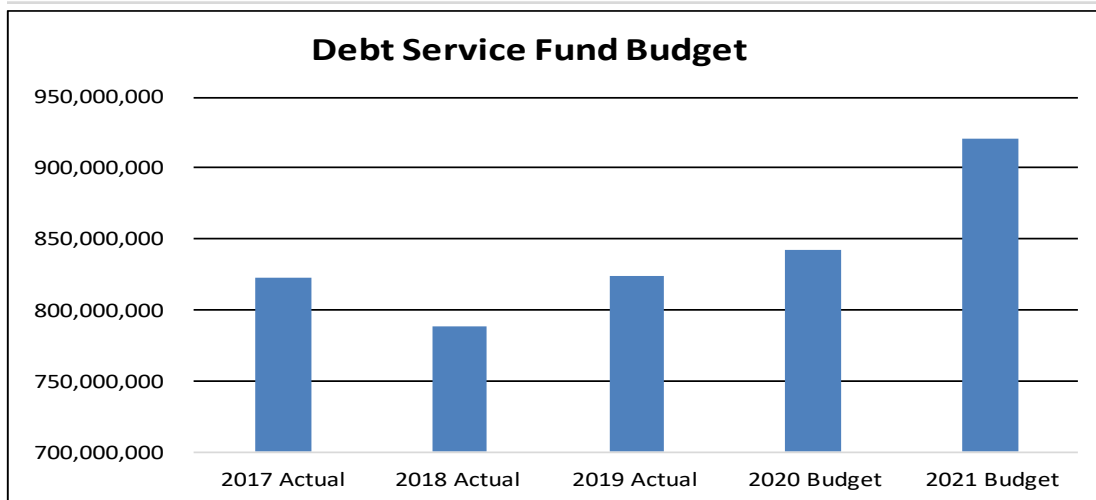
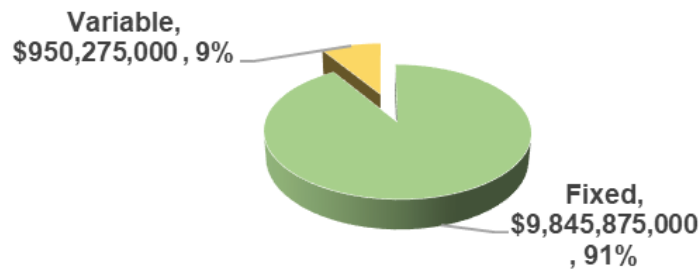
- The 2021 Authorized Positions are remaining at the same level of 2020 Authorized Positions. Although flat, there was movement among the departments
  - The Authority reorganization (effective October 2020) is the basis for the Maintenance position transfers out of the division and into Engineering and State Police
  - Other net transfers between departments represent personnel or vacant position moves
  - 5 contingency positions remain in the budget to account for any staffing needs that may arise during the year

## DEBT SERVICE BUDGET

Total Debt Service in 2021 is budgeted at \$920,757,000, which is about a \$78 million increase from the 2020 Debt Service Budget, mainly due to an increase in interest expense. The budget provides for a full year of interest payments on the assumed new money issuance in late 2020 of \$500 million for the 2019 CIP, and a new money issuance in 2021 of \$500 million to fund the 2021-2025 Capital Improvement Program. Principal payments on existing bonds are also increasing by about \$30 million. By the end of 2021, the Authority is expected to have \$11.8 billion of debt outstanding. Debt Service equals 43% of the total budgeted revenue in 2021 and represents the single largest spending component of the 2021 Annual Budget.

Debt Service Fund Budget					
	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Debt Service Interest Payments	596,078,000	593,120,667	642,057,000	48,936,333	8%
Debt Service Principal Payments	228,205,000	249,395,000	278,700,000	29,305,000	12%
<b>Total Debt Service</b>	<b>\$824,283,000</b>	<b>\$842,515,667</b>	<b>\$920,757,000</b>	<b>\$78,241,333</b>	<b>9.3%</b>

**Total Bonds Outstanding - \$10,796,150,000 as of September 30, 2020**





## GENERAL RESERVE FUND

The total 2021 Budget for the General Reserve Fund is \$385,841,000, which is a decrease of \$19,690,000 from the 2020 Budget. The 2021 General Reserve Fund Budget includes \$32 million for state of emergency events, and \$15 million in reserves for Other Post-Employment Benefits (OPEB). The 2021 Budget includes both existing payments on the State Transportation Projects Funding Agreement through its expiration on 6/30/21 as well as \$187.5 million (6 months of an annual \$375 million) for the anticipated New State Transportation Agreement to begin on 7/1/21. Also includes net transfers to the Construction Fund for revenue funded capital projects of \$54 million.

General Reserve Fund Budget					
	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
<b>General Reserve Fund</b>					
General Reserve Fund Expenses	\$ 22,126,000	\$ 35,550,000	\$ 16,050,000	\$ (19,500,000)	-54.9%
Extraordinary Snow	12,485,000	32,295,000	32,295,000	-	0.0%
State Payments	179,500,000	178,500,000	289,000,000	110,500,000	61.9%
Contingency	-	5,000,000	5,000,000	-	-
<b>Total GRF Expenditures</b>	<b>\$ 214,111,000</b>	<b>\$ 251,345,000</b>	<b>\$ 342,345,000</b>	<b>\$ 91,000,000</b>	<b>36.2%</b>
<b>Total GRF Expenditures Net of Recoveries</b>	<b>\$ 214,111,000</b>	<b>\$ 251,345,000</b>	<b>\$ 342,345,000</b>	<b>\$ 91,000,000</b>	<b>36.2%</b>
Net - Transfers In	\$ -	(4,750,000)	(19,884,000)	(15,134,000)	-
Net - Transfers Out	94,121,000	168,936,000	73,380,000	(95,556,000)	-
<b>Total Transfers - Net</b>	<b>\$ 308,232,000</b>	<b>\$ 415,531,000</b>	<b>\$ 395,841,000</b>	<b>\$ (19,690,000)</b>	<b>-4.7%</b>

## CAPITAL SPENDING PROGRAM

The Authority's 2021 Annual Budget also includes its Capital Spending Program Budget presented on a rolling five-year basis for the first time in 2021, with spending included for the years 2021-2025. The Capital Spending Program Budget includes revenue funded projects as well as bond funded projects. The revenue funded capital projects, referred to as the Capital Budget, include projects in the Maintenance Reserve Fund, Special Project Reserve Fund and Supplemental Capital Program. The bond funded capital projects, referred to as the Construction Fund, include – (i) 2021 – 2025 Capital Improvement Program, (ii) 2019 Capital Improvement Program and (iii) 2008 \$7 Billion Capital Improvement Program. These capital projects are presented on a rolling five-year (2021-2025) spending basis along with their respective total project budgets. Each year a new rolling five-year spending plan will be approved with the changes, if any, to the total project budgets, as a part of the annual budget approval.

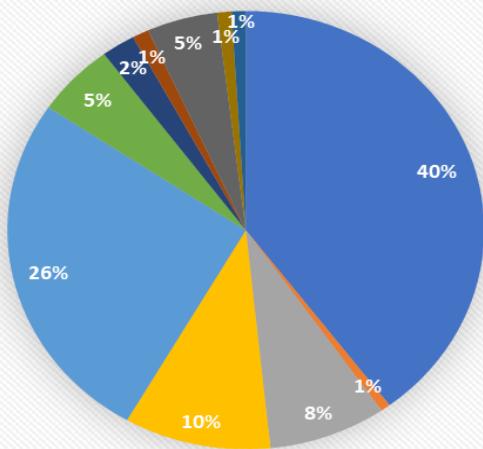
The 2021 rolling five-year Capital Spending Program Budget includes \$5.2 billion to be spent during 2021-2025, or an average of over \$1.0 billion/year. Of this, 84% is planned to be spent on Bridge Repair and Reconstruction, Resurfacing and Drainage Structures. The remaining 16% is budgeted to be spent on technology improvement projects, fleet and facility upgrade projects. Approximately 29%, or \$1.5 billion, will be funded by revenue, while 71%, or \$3.7 billion will be funded by bond proceeds.

The revenue funded Capital Budget projects included in the 2021 rolling five-year Capital Spending Program Budget focus on resurfacing of the roadways, bridge repairs, technology improvements, fleet upgrades and facility upgrades. These projects are funded by net revenue transfers into the Maintenance Reserve Fund, Special Project Reserve Fund, and into the revenue funded account in the Construction Fund for Supplemental Capital projects. Average annual spending for these projects is about \$300 million/year.

2021 - 2025 Rolling 5-Year Capital Spending Plan							
Revenue Funded and Bond Funded							
Category	Spending Plan						Total
	2021	2022	2023	2024	2025		
Bridge	\$ 364,684	475,319	453,162	382,833	392,396		2,068,394
Concrete Barrier	3,168	7,723	4,170	19,228	-		34,289
Drainage Structure	69,736	144,704	105,094	44,062	52,083		415,679
Other Roadway	237,595	232,771	283,477	323,361	285,556		1,362,760
<b>Total Roadway</b>	<b>\$ 773,654</b>	<b>920,516</b>	<b>965,903</b>	<b>889,484</b>	<b>850,035</b>		<b>4,399,592</b>
Facility	\$ 95,486	56,893	51,149	38,786	38,629		280,942
Service Area & Arts Center	12,000	17,950	15,550	8,000	5,000		58,500
Technology	50,082	55,039	62,074	50,344	32,537		250,077
<b>Total Other Project Categories</b>	<b>\$ 200,455</b>	<b>172,887</b>	<b>172,519</b>	<b>141,652</b>	<b>121,505</b>		<b>809,018</b>
<b>Total Capital Spending</b>	<b>\$ 974,109</b>	<b>1,093,403</b>	<b>1,138,422</b>	<b>1,031,136</b>	<b>971,540</b>		<b>5,208,610</b>

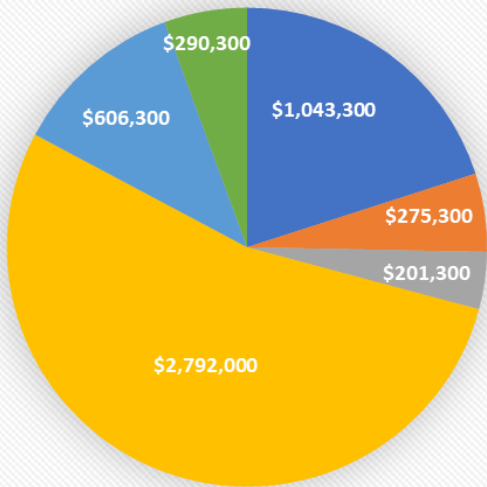
Funding Source							
Revenue Funded	Spending Plan						Total
	2021	2022	2023	2024	2025		
Maintenance Reserve Fund	\$ 185,292	158,198	246,342	226,750	226,750		1,043,332
Special Project Reserve Fund	73,912	51,347	49,629	49,823	50,639		275,348
Supplemental Capital Fund	73,380	38,100	30,800	30,035	29,000		201,315
<b>Total Revenue Funded</b>	<b>\$ 332,584</b>	<b>247,645</b>	<b>326,771</b>	<b>306,608</b>	<b>306,389</b>		<b>1,519,995</b>
<b>Bond Funded</b>							
2021-2025 Capital Improvement Program	\$ 227,356	620,975	679,365	629,849	634,425		2,791,970
2019 Capital Improvement Program	268,135	168,910	98,198	55,313	15,770		606,325
2008 \$7 Billion Capital Improvement Program	146,034	55,873	34,088	39,367	14,957		290,319
<b>Total Bond Funded</b>	<b>\$ 641,525</b>	<b>845,758</b>	<b>811,651</b>	<b>724,529</b>	<b>665,151</b>		<b>3,688,614</b>
<b>Total Capital Spending</b>	<b>\$ 974,109</b>	<b>1,093,403</b>	<b>1,138,422</b>	<b>1,031,136</b>	<b>971,540</b>		<b>5,208,610</b>
<b>Percentage Revenue Funded</b>	<b>34%</b>	<b>23%</b>	<b>29%</b>	<b>30%</b>	<b>32%</b>		<b>29%</b>
<b>Percentage Bond Funded</b>	<b>66%</b>	<b>77%</b>	<b>71%</b>	<b>70%</b>	<b>68%</b>		<b>71%</b>

Total Bond & Revenue Funded by Category



- Bridge
- Drainage Structure
- Other Roadway
- Fleet Upgrades
- Technology
- Contingency
- Concrete Barrier
- Resurfacing
- Facility
- Service Area & Arts Center
- Chargebacks for Bond Funded Construction

Total Funding by Source  
(In Thousands)



- Maintenance Reserve Fund
- Supplemental Capital Fund
- 2019 Capital Improvement Program
- Special Project Reserve Fund
- 2021-2025 Capital Improvement Program
- 2008 \$7 Billion Capital Improvement Program

## CAPITAL BUDGET (REVENUE FUNDED)

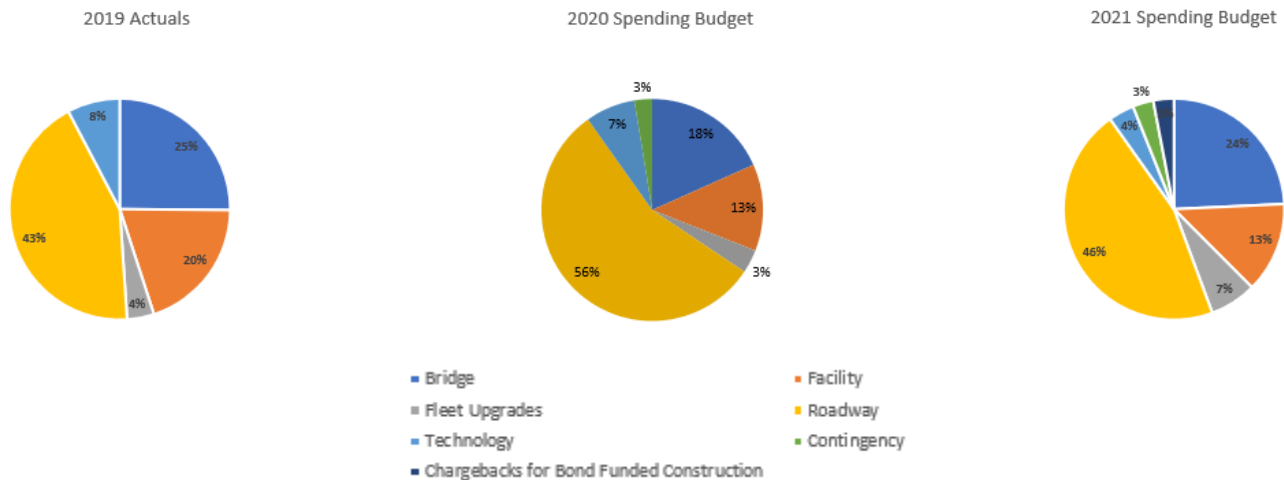
The 2021 Capital Budget includes the Maintenance Reserve Fund, the Special Projects Reserve Fund and the Supplemental Capital Program. The Capital Budget primarily supports the spending for the maintenance of both the roadways and bridges, scheduled fleet augmentation, several multi-year capital program projects such as pavement repairs, replacement of toll collection equipment etc. The work in the Maintenance Reserve Fund and Special Projects Reserve Fund is funded from the Authority's revenue after paying for the operating expenses and debt service. These two funds are separate funds established by the Authority's Bond Resolution. The work in the Supplemental Capital Program is funded by the transfers from the General Reserve Fund. This program is a separate account in the Construction Fund. The Construction Fund is established by the Authority's Bond Resolution.

2021 - 2025 Rolling 5-Year Capital Spending Plan						
Revenue Funded						
Category	Spending Plan					Total
	2021	2022	2023	2024	2025	
Bridge	\$ 80,672	61,390	76,900	60,000	60,000	338,962
Drainage Structure	5,750	15,750	11,250	11,250	11,250	55,250
Resurfacing	98,471	60,000	120,000	120,000	120,000	518,471
Other Roadway	48,179	31,477	43,642	40,185	39,150	202,632
<b>Total Roadway</b>	<b>\$ 233,072</b>	<b>168,617</b>	<b>251,792</b>	<b>231,435</b>	<b>230,400</b>	<b>1,115,315</b>
Facility	\$ 44,048	31,023	26,233	25,650	25,650	152,605
Fleet Upgrades	22,797	23,005	23,745	24,523	25,339	119,408
Technology	12,577	5,000	5,000	5,000	5,000	32,577
Chargebacks for Bond Funded Construction	10,000	10,000	10,000	10,000	10,000	50,000
Contingency	10,090	10,000	10,000	10,000	10,000	50,090
<b>Total Other Project Categories</b>	<b>\$ 99,512</b>	<b>79,028</b>	<b>74,979</b>	<b>75,173</b>	<b>75,989</b>	<b>404,680</b>
<b>Total Capital Spending</b>	<b>\$ 332,584</b>	<b>247,645</b>	<b>326,771</b>	<b>306,608</b>	<b>306,389</b>	<b>1,519,995</b>

Funding Sources						
Revenue Funded	Spending Plan					Total
	2021	2022	2023	2024	2025	
Maintenance Reserve Fund	\$ 185,292	158,198	246,342	226,750	226,750	1,043,332
Special Project Reserve Fund	73,912	51,347	49,629	49,823	50,639	275,348
Supplemental Capital Fund	73,380	38,100	30,800	30,035	29,000	201,315
<b>Total Revenue Funded</b>	<b>\$ 332,584</b>	<b>247,645</b>	<b>326,771</b>	<b>306,608</b>	<b>306,389</b>	<b>1,519,995</b>

## Capital Budget – Revenue Funded – Spending by Category

Includes all revenue funded capital projects contained in the Maintenance Reserve Fund, Special Project Reserve Fund, and Supplemental Capital Program. The combined project budgets in 2021, on a rolling 5-year basis, total \$1.5 billion, or an average spend of about \$300 million/year.



## 1. MAINTENANCE RESERVE FUND BUDGET

The 2021 Maintenance Reserve Fund Budget primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. These projects have a combined budgeted spending plan for 2021 of \$185,292,000, and a rolling 5-year budgeted spending plan of about \$1 billion. The budgeted spending plan for 2021 is decreasing by about 5% compared to 2020, and includes funding primarily for bridge decks, and roadway resurfacing. Completion of the roadway lighting, concrete barrier and drainage structure projects will be accelerated and included in the 2021-2025 CIP.

Maintenance Reserve Fund Spending by Category					
	2019	2020	2021	\$ Change from	% Change from
	Actual Spending	Budgeted Spending	Budgeted Spending	2020 Budgeted Spending	2020 Budgeted Spending
<b>Roadway</b>					
Bridge	\$ 52,217,937	48,422,000	80,331,000	31,909,000	66%
Concrete Barrier	4,547,277	2,705,000	-	(2,705,000)	-
Drainage Structure	5,658,914	32,645,000	5,750,000	(26,895,000)	-82%
Resurfacing	50,063,556	86,528,000	70,471,000	(16,057,000)	-19%
Other Roadway	2,063,034	3,108,000	23,650,000	20,542,000	661%
Roadway Lighting	6,870,711	17,317,000	-	(17,317,000)	-
Contingency	-	5,125,000	5,090,000	(35,000)	-1%
	<b>\$ 121,421,430</b>	<b>195,850,000</b>	<b>185,292,000</b>	<b>(10,558,000)</b>	<b>-5.4%</b>

2021 - 2025 Rolling 5-Year Program Spending Plan							Prior	2026 - Beyond	Total Project
(In Thousands)	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Spending	Budget
<b>Category</b>									
Bridge	\$ 80,331	61,390	76,900	60,000	60,000	338,621	48,422	-	387,043
Drainage Structure	5,750	15,750	11,250	11,250	11,250	55,250	32,645	-	87,895
Facility	-	-	14,000	14,000	14,000	42,000	-	-	42,000
Resurfacing	70,471	60,000	120,000	120,000	120,000	490,471	86,528	-	576,999
Other Roadway	23,650	16,058	19,192	16,500	16,500	91,900	23,130	-	115,030
Contingency	5,090	5,000	5,000	5,000	5,000	25,090	5,125	-	30,215
<b>Total Maintenance Reserve</b>	<b>\$ 185,292</b>	<b>158,198</b>	<b>246,342</b>	<b>226,750</b>	<b>226,750</b>	<b>1,043,332</b>	<b>195,850</b>	<b>-</b>	<b>1,239,182</b>

## 2. SPECIAL PROJECT RESERVE FUND BUDGET

The 2021 Special Project Reserve Fund Budget has a budgeted 2021 spending plan of about \$73.9 million and a rolling 5-year spending plan of about \$275 million. The budgeted spending plan for 2021 is decreasing by about 10% compared to 2020. The 2021 Special Project Reserve Fund Project Budget provides spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as funds for facility improvements, among other necessary projects. The decrease in Roadway spending is primarily due to the leading practice recommendation changes, as is the increase in Fleet Upgrade spending.

Special Projects Spending By Category					
	2019 Actual Spending	2020 Budgeted Spending	2021 Budgeted Spending	\$ Change from 2020 Budgeted Spending	% Change from 2020 Budgeted Spending
<b>Roadway</b>					
Roadway	\$ 13,397,858	26,673,000	11,136,792	(15,536,208)	-58%
<b>Non Roadway</b>					
Facility	\$ 10,650,098	21,017,000	29,138,319	8,121,319	39%
Fleet Upgrades	9,844,089	15,396,000	22,797,000	7,401,000	48%
Technology	6,447,530	19,310,000	10,839,791	(8,470,209)	-44%
Contingency	-	1,500,000	-	(1,500,000)	-100%
	<b>\$ 40,339,574</b>	<b>83,896,000</b>	<b>73,911,902</b>	<b>(8,484,098)</b>	<b>-10.1%</b>

(In Thousands)	2021 - 2025 Rolling 5-Year Program Spending Plan						Prior	2026 - Beyond	Total Project
	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Spending	Budget
<b>Category</b>									
Facility	\$ 29,138	16,233	12,233	11,650	11,650	80,905	23,691	-	104,596
Fleet Upgrades	22,797	23,005	23,745	24,523	25,339	119,408	14,899	-	134,307
Other Roadway	11,137	7,109	8,650	8,650	8,650	44,195	19,006	-	63,201
Technology	10,840	5,000	5,000	5,000	5,000	30,840	13,983	-	44,823
Contingency	-	-	-	-	-	-	1,500	-	1,500
<b>Total Special Reserve</b>	<b>\$ 73,912</b>	<b>51,347</b>	<b>49,629</b>	<b>49,823</b>	<b>50,639</b>	<b>275,348</b>	<b>73,079</b>	<b>-</b>	<b>348,428</b>



### 3. SUPPLEMENTAL CAPITAL PROGRAM PROJECT BUDGET (CONSTRUCTION FUND – REVENUE FUNDED)

The 2021 Supplemental Capital Program Budget has a 2021 spending plan budget of \$63.4 million and a rolling 5-year spending plan of about \$151 million. The budgeted spending plan for 2021 is decreasing by about 51% compared to 2020. This budget includes funding to continue 2020 projects and provides about \$100 million for new projects over the 5-year period between 2021 and 2025. The 2021 Supplemental Capital Program Project Budget includes funding to continue several necessary multi-year projects including the replacement of the toll collection equipment on both roadways, additional roadway resurfacing and improvements to the Garden State Arts Center.

Supplemental Capital by Category					
	2019 Actual Spending	2020 Budgeted Spending	2021 Budgeted Spending	\$ Change from 2020 Budgeted Spending	% Change from 2020 Budgeted Spending
<b>Roadway</b>					
Bridge	\$ 8,069,377	7,314,000	341,000	(6,973,000)	-95%
Other Roadway	10,613,481	78,367,000	13,392,000	(64,975,000)	-83%
Resurfacing	14,906,511	4,000,000	28,000,000	24,000,000	600%
<b>Non Roadway</b>					
Facility	\$ 12,786,939	17,419,000	14,910,000	(2,509,000)	-14%
Service Area & Arts Center	26,069,803	18,450,000	-	(18,450,000)	-100%
Technology	12,792,166	13,386,000	1,737,000	(11,649,000)	-87%
Chargebacks for Bond Funded Construction	-	-	10,000,000	10,000,000	0%
Contingency	-	5,000,000	5,000,000	-	0%
	<b>\$ 85,238,278</b>	<b>143,936,000</b>	<b>73,380,000</b>	<b>(70,556,000)</b>	<b>-49.0%</b>

2021 - 2025 Rolling 5-Year Program Spending Plan							Prior	2026 - Beyond	Total Project
(In Thousands)	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Spending	Budget
Category									
Bridge	\$ 341	-	-	-	-	341	-	-	341
Facility	14,910	14,790	-	-	-	29,700	60,615	-	90,315
Service Area & Arts Center	-	-	-	-	-	-	50,249	-	50,249
Other Roadway	13,392	8,310	15,800	15,035	14,000	66,537	16,157	-	82,694
Resurfacing	28,000	-	-	-	-	28,000	-	-	28,000
Technology	1,737	-	-	-	-	1,737	11,915	-	13,652
Chargebacks for Bond Funded Construction	10,000	10,000	10,000	10,000	10,000	50,000	-	-	50,000
Contingency	5,000	5,000	5,000	5,000	5,000	25,000	5,000	-	30,000
<b>Total Supplemental Capital</b>	<b>\$ 73,380</b>	<b>38,100</b>	<b>30,800</b>	<b>30,035</b>	<b>29,000</b>	<b>201,315</b>	<b>143,936</b>	<b>-</b>	<b>345,251</b>

## CONSTRUCTION FUND BUDGET (BOND FUNDED)

The 2021 Construction Fund Budget includes the bond funded programs within the Construction Fund. The Construction Fund currently includes the 2021-2025 Capital Improvement Program, which was derived from the 2020 Long-Range Capital Plan approved in May 2020, the 2019 Capital Improvement Program, approved in April 2019 and the 2008 \$7 Billion Capital Improvement Program approved in October 2008. These programs are funded through bond proceeds derived from the issuance of Turnpike Revenue Bonds.

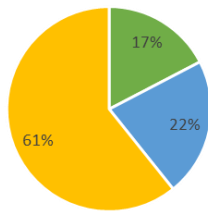
2021 - 2025 Rolling 5-Year Capital Spending Plan						
Bond Funded						
Category	Spending Plan					Total
	2021	2022	2023	2024	2025	
Bridge	\$ 284,012	413,929	376,262	322,833	332,396	1,729,432
Concrete Barrier	3,168	7,723	4,170	19,228	-	34,289
Drainage Structure	63,986	128,954	93,844	32,812	40,833	360,429
Other Roadway	189,416	201,295	239,835	283,176	246,406	1,160,127
<b>Total Roadway</b>	<b>\$ 540,582</b>	<b>751,900</b>	<b>714,111</b>	<b>658,049</b>	<b>619,635</b>	<b>3,284,277</b>
Facility	\$ 51,437	25,869	24,916	13,136	12,979	128,337
Service Area & Arts Center	12,000	17,950	15,550	8,000	5,000	58,500
Technology	37,505	50,039	57,074	45,344	27,537	217,500
<b>Total Other Project Categories</b>	<b>\$ 100,943</b>	<b>93,858</b>	<b>97,540</b>	<b>66,480</b>	<b>45,516</b>	<b>404,337</b>
<b>Total Capital Spending</b>	<b>\$ 641,525</b>	<b>845,758</b>	<b>811,651</b>	<b>724,529</b>	<b>665,151</b>	<b>3,688,614</b>

Funding Source						
Bond Funded	Spending Plan					Total
	2021	2022	2023	2024	2025	
2021-2025 Capital Improvement Program	\$ 227,356	620,975	679,365	629,849	634,425	2,791,970
2019 Capital Improvement Program	268,135	168,910	98,198	55,313	15,770	606,325
2008 \$7 Billion Capital Improvement Program	146,034	55,873	34,088	39,367	14,957	290,319
<b>Total Bond Funded</b>	<b>\$ 641,525</b>	<b>845,758</b>	<b>811,651</b>	<b>724,529</b>	<b>665,151</b>	<b>3,688,614</b>

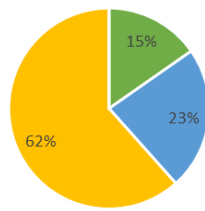
## Construction Fund Budget– Spending by Category

This includes all bond funded capital projects contained in the 2008 \$7 Billion Capital Improvement Program, 2019 Capital Improvement Program, and the 2021-2025 Capital Improvement Program. The combined project budgets in 2021, on a rolling 5-year budget, total \$3.7 billion, or an average spend of about \$738 million/year.

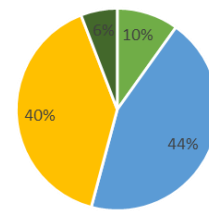
2019 Actuals



2020 Spending Budget



2021 Spending Budget



■ Facility ■ Bridge ■ Roadway ■ Technology

## 1. 2021-2025 CAPITAL IMPROVEMENT PROGRAM

The 2020 Long-Range Capital Plan was approved by the Board of Commissioners in May 2020. The 2021-2025 Capital Improvement Program was developed from that plan and focuses on maintaining the existing infrastructure in a state of good repair, and targets capacity improvements in critical areas where congestion is already an issue.

2021-2025 Capital Improvement Program Spending by Category					
	2019 Actual Spending	2020 Budgeted Spending	2021 Budgeted Spending	\$ Change from 2020 Budgeted Spending	% Change from 2020 Budgeted Spending
<b>Roadway</b>					
Bridge	\$ -	-	62,116,946	62,116,946	0%
Concrete Barrier	-	-	3,168,337	3,168,337	0%
Drainage Structure	-	-	63,985,718	63,985,718	0%
Lighting	-	-	32,831,103	32,831,103	0%
Other Roadway	-	-	26,446,381	26,446,381	0%
<b>Non Roadway</b>					
Facility	\$ -	-	1,302,433	1,302,433	0%
Technology	-	-	37,505,415	37,505,415	0%
	\$ -	-	<b>227,356,333</b>	<b>227,356,333</b>	<b>0.0%</b>

2021 - 2025 Rolling 5-Year Program Spending Plan							Prior	2026 - Beyond	Total Project
(In Thousands)	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Spending	Budget
<b>Category</b>									
Bridge	\$ 62,117	250,369	298,121	264,566	293,269	1,168,441	-	437,999	1,606,440
Concrete Barrier	3,168	7,723	4,170	19,228	-	34,289	-	111	34,400
Drainage Structure	63,986	128,954	93,844	32,812	40,833	360,429	-	62,646	423,075
Facilities	1,302	7,020	11,677	-	-	20,000	-	-	20,000
Lighting	32,831	34,064	26,088	18,103	27,109	138,195	-	23,790	161,985
Other Roadway	26,446	142,806	188,390	249,796	245,677	853,116	-	1,195,584	2,048,700
Technology	37,505	50,039	57,074	45,344	27,537	217,500	-	1,500	219,000
<b>Total 2021-2025 Capital Improvement Program</b>	<b>\$ 227,356</b>	<b>620,975</b>	<b>679,365</b>	<b>629,849</b>	<b>634,425</b>	<b>2,791,970</b>	<b>-</b>	<b>1,721,630</b>	<b>4,513,600</b>

## 2. 2019 CAPITAL IMPROVEMENT PROGRAM

This program was approved by the Board of Commissioners in April 2019 and includes capital improvement projects focusing on bridge deck improvements, shoulder widening and replacement of hybrid changeable message signs. The 2021 Budgeted Spending Plan for the 2019 CIP is increasing by about \$136 million, due in part to increased spending on projects originally approved in 2019, as well the addition of the remaining Passaic River Bridge Rehabilitation Program projects and the Service Area Improvement (outside the curb line) Project , all being added to the 2019 CIP this year. These projects were previously in revenue funded programs.

2019 Capital Improvement Program Spending by Category					
	2019 Actual Spending	2020 Budgeted Spending	2021 Budgeted Spending	\$ Change from 2020 Budgeted Spending	% Change from 2020 Budgeted Spending
<b>Roadway</b>					
Bridge	\$ 10,557	39,088,000	116,762,613	77,674,613	199%
Other Roadway	6,366,482	84,997,000	129,124,116	44,127,116	52%
<b>Non Roadway</b>					
Facilities	\$ 170,734	7,737,000	10,248,500	2,511,500	32%
Service Area & Arts Center	-	-	12,000,000	12,000,000	0%
	<b>\$ 17,094,047</b>	<b>131,822,000</b>	<b>268,135,229</b>	<b>136,313,229</b>	<b>103.4%</b>

2021 - 2025 Rolling 5-Year Program Spending Plan							Prior LTD Spending	2026 - Beyond Spending	Total Project Budget
(In Thousands)	2021	2022	2023	2024	2025	Total 5-Year			
Category									
Bridge	\$ 116,763	100,883	33,087	14,668	10,770	276,170	39,088	-	315,258
Facilities	10,249	258	-	-	-	10,506	7,737	-	18,243
Service Area & Arts Center	12,000	17,950	15,550	8,000	5,000	58,500	-	-	58,500
Other Roadway	129,124	49,819	49,561	32,645	-	261,149	19,707	-	280,856
Contingency	-	-	-	-	-	-	-	-	-
<b>Total 2019 Capital Improvement Program</b>	<b>\$ 268,135</b>	<b>168,910</b>	<b>98,198</b>	<b>55,313</b>	<b>15,770</b>	<b>606,325</b>	<b>66,532</b>	<b>-</b>	<b>672,857</b>

## 3. 2008 \$7 BILLION CAPITAL IMPROVEMENT PROGRAM

This program was approved by the Board of Commissioners in October 2008. In September 2018, this program was amended to extend the end date of the program to December 31, 2020. It includes projects focused on roadway widening, bridge construction and improvements, roadway improvements, interchange improvements and facilities improvements.

2008 \$7 Billion CIP Spending by Category					
	2019 Actual Spending	2020 Budgeted Spending	2021 Budgeted Spending	\$ Change from 2020 Budgeted Spending	% Change from 2020 Budgeted Spending
<b>Roadway</b>					
Bridge	\$ 95,829,333	101,886,000	72,301,737	(29,584,263)	-29%
Other Roadway	95,425,543	62,765,000	33,845,445	(28,919,555)	-46%
<b>Non Roadway</b>					
Facility	\$ 28,810,512	29,095,000	39,886,498	10,791,498	37%
	<b>\$ 220,065,388</b>	<b>193,746,000</b>	<b>146,033,681</b>	<b>(47,712,319)</b>	<b>-24.6%</b>

2021 - 2025 Rolling 5-Year Program Spending Plan							Prior LTD Spending	2026 - Beyond Spending	Total Project Budget
(In Thousands)	2021	2022	2023	2024	2025	Total 5-Year			
Category									
Bridge	\$ 72,302	28,612	18,966	25,496	1,249	146,625	1,545,254	-	1,691,879
Facility	39,886	18,591	13,239	13,136	12,979	97,831	1,046,527	-	1,144,358
Other Roadway	33,845	8,669	1,883	735	729	45,862	4,117,900	-	4,163,762
<b>Total 2008 \$7 Billion CIP</b>	<b>\$ 146,034</b>	<b>55,873</b>	<b>34,088</b>	<b>39,367</b>	<b>14,957</b>	<b>290,319</b>	<b>6,709,681</b>	<b>-</b>	<b>7,000,000</b>