

SUMMARIES OF APPROPRIATIONS

THE BUDGET IN BRIEF

GENERAL FUND

Resources

(\$ In Thousands)

Undesignated fund balance, July 1, 2002	435,000	
Revenues anticipated and adjustments	15,488,459	
Total Resources		15,923,459

Recommendations

Direct State Services	5,079,135	
Grants-in-Aid	6,054,020	
State Aid	2,722,355	
Capital Construction	1,049,101	
Debt Service	493,848	
Total Recommendations		15,398,459

Undesignated fund balance, June 30, 2003		525,000
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SURPLUS REVENUE FUND

Resources

Undesignated fund balance, July 1, 2002		---
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Recommendations

Transfer from or to General Fund		---
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Undesignated fund balance, June 30, 2003		---
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PROPERTY TAX RELIEF FUND

Resources

Undesignated fund balance, July 1, 2002	65,000	
Revenues anticipated from Gross Income Tax	7,776,971	
Total Resources		7,841,971

Recommendations

Grants-in-Aid	1,211,471	
State Aid	6,630,500	
Total Recommendations		7,841,971

Undesignated fund balance, June 30, 2003		---
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GUBERNATORIAL ELECTIONS FUND

Resources

Undesignated fund balance, July 1, 2002	---	
Revenues anticipated and adjustments	1,500	
Total Resources		1,500

Recommendations

Public Financing of Elections		---
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Undesignated fund balance, June 30, 2003		1,500
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CASINO CONTROL FUND

Resources

Undesignated fund balance, July 1, 2002	---	
Revenues anticipated	62,737	
Total Resources		62,737

Recommendations

Regulation of Casino Gambling		62,737
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Undesignated fund balance, June 30, 2003		---
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CASINO REVENUE FUND

Resources

Undesignated fund balance, July 1, 2002	---	
Revenues anticipated	360,000	
Total Resources		360,000

Recommendations

Programs for senior citizens and handicapped persons		360,000
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Undesignated fund balance, June 30, 2003		---
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DEBT AVOIDANCE AND RETIREMENT FUND

Resources

Undesignated fund balance, July 1, 2002	---	
Revenues and anticipated adjustments	48,236	
Total Resources	<hr/>	48,236

Recommendations

Debt Avoidance and Retirement Fund	---	
Undesignated fund balance, June 30, 2003	<hr/>	48,236
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BUDGET HIGHLIGHTS

The State's budget plan for fiscal year 2003 reflects Governor James E. McGreevey's commitment to restoring fiscal responsibility, meeting the challenge of closing the largest budget deficit in New Jersey's history, and addressing core priorities of his administration in the areas of education and early childhood literacy, cancer research, and homeland security.

In a year when the State is facing difficult choices and the worst fiscal crisis in its history—a shortfall of \$5.3 billion—Governor McGreevey has put forth a balanced budget and a blueprint for the future that protects New Jersey's hardworking families and puts State government on the right track.

The Governor's Budget proposes setting clear priorities and protecting what matters most to New Jersey's future—our children and our schools, the health of our people, and the safety and security of our families and communities. His Budget also proposes:

- Restoring fiscal responsibility and tackling waste and mismanagement.
- Closing the budget deficit.
- Holding the line on sales and income taxes.
- Protecting property tax relief programs, such as NJ Saver and the Homestead Rebate.

In less than three months since taking office, Governor McGreevey has proposed fiscal solutions to close a total of \$8.3 billion in budget deficits, which includes the nearly \$3 billion deficit in the Fiscal Year 2002 Budget that he confronted upon taking office, as well as the \$5.3 billion structural deficit in the Fiscal Year 2003 Budget. The budget for fiscal year 2003 is prudently crafted to move New Jersey forward, to preserve programs and services to the citizens of the State, and to protect property tax relief.

The proposed Fiscal Year 2003 Budget totals \$23.663 billion, which is \$343 million (1.5%) above the adjusted fiscal year 2002 appropriation level of \$23.320 billion.

The 1.5% growth in the proposed Budget is significantly less than the 6.5% growth in the proposed Fiscal Year 2002 Budget and is 75% less than the average annual growth rate over the past 20 years (5.9%).

Fiscal Responsibility

Fiscal Year 2002—Solving Current Year Deficit

Upon assuming office in January 2002, Governor McGreevey faced a current year operating deficit of nearly \$3 billion, or approximately 13% of the original fiscal year 2002 State appropriation. Several factors contributed to the severe deficit problem:

- Overly-optimistic revenue projections in the State budget adopted in June 2001.
- A downturn in the economy, exacerbated by the events of September 11.
- Ongoing, supplemental spending during the first half of fiscal year 2002.

Mindful that one-half of the fiscal year had already elapsed by the time his term began, the Governor took decisive action to offset the deficit of nearly \$3 billion. After a line-by-line budget review of every State department, the McGreevey Administration identified a total of \$1.7 billion in funds that could be used to help close the budget deficit. The Governor's fiscal year 2002 solutions included:

- 5% reductions in the budgets of State departments, as well as the elimination of idle balances, cancellation of aged obligations from prior years, and a freeze on hiring, travel, and equipment purchases.
- \$430 million in revenue initiatives, including \$150 million from a new tax amnesty program, \$105 million from the extension of the Transitional Energy Facilities Assessment (TEFA), and the remainder from other fund balances.
- Reducing supplemental appropriations by almost \$70 million.
- Shifting \$720 million in balances from the Rainy Day Fund to the General Fund. As structured, the shift provided \$500 million of that balance for budgeting flexibility in fiscal year 2003.
- A total of \$325 million will be redirected from the Unemployment Insurance Trust Fund in fiscal year 2002, an amount that is approximately 10% of the Fund's \$3.5 billion undesignated balance as of June 2001.

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Fiscal Year 2003—Balancing the Budget

The projected current deficit of approximately \$5.3 billion for the Fiscal Year 2003 Budget is the product of declining revenues and structural growth in key programs. This deficit represents a staggering 22% of the total projected Fiscal Year 2003 Budget of \$23.663 billion. The current \$5.3 billion projection has been adjusted down from the February estimate of \$6 billion due to an increase in projected base revenue and a reduction in the size of the projected fiscal year 2003 closing surplus.

To restore fiscal stability, the Governor proposes a combination of \$2.9 billion in additional revenues and \$2.4 billion in spending constraints and reductions that are in keeping with the Governor's commitment to ensure that New Jersey lives and operates within its means.

The \$2.9 billion revenue enhancements include over \$1 billion from restructuring the Corporation Business Tax and closing tax loopholes, increasing certain taxes, repealing tax breaks, and statutory amendments to hold the State harmless from recent federal changes to the corporate tax code and the estate tax.

If New Jersey does not address the recent federal change that accelerated depreciation for businesses, the State will lose at least \$100 million in tax revenues next year, and even more during each of the following two years.

If New Jersey does not address recent federal changes to the estate tax law, and allows the estate tax to expire, the State will lose \$72 million in estate tax revenues in fiscal year 2003 and nearly \$700 million over the next five years. If the estate tax is permitted to expire, the primary beneficiaries would be the families of the wealthiest 2% of New Jerseyans. At least two states have already decoupled from the federal changes, while others are considering it. This proposal would have no impact on the overwhelming majority of State residents.

Other components of this \$1 billion solution package are:

- \$627 million from a restructuring of the Corporation Business Tax to account for the changing pattern of corporate tax filings.
- \$200 million from a 50-cent increase in the cigarette tax, from the current tax of 80 cents to \$1.30 per pack.

The remaining revenue initiatives are the securitization of \$1.1 billion from tobacco settlement monies, transferring \$373 million in idle trust fund balances to the General Fund, and \$75 million in increases in user

fees in cases where the State costs exceed current charges. (See Revenue Forecast and Initiatives).

On the spending side, anticipated budget growth has been sharply curtailed, and in some cases eliminated, across State government. Specifically, a total of approximately \$2.4 billion of the approximately \$2.9 billion in budget growth originally projected for fiscal year 2003 has been suspended or offset. The Budget provides level funding of municipal and school formula aid, so school districts and local communities will receive at least as much aid as they received in fiscal year 2002. The Budget also preserves critical services and protects property tax relief. In addition, the budget provides for:

- Level funding for New Jersey Transit at \$260 million, which will protect service to rail and bus commuters.
- The redirection of an additional \$325 million in surplus revenues from the Unemployment Insurance Fund to offset State appropriations for health care costs. Approximately 75% of this amount will be restored to the UI Fund, however, through a planned distribution of \$242 million of federal Reed Act monies authorized in the Economic Stimulus legislation signed by the President on March 9, 2002.
- The Budget assumes that the State will receive \$478 million of federal funds in two key areas:
 - an extended phase-out of the Intergovernmental Transfer funds (IGT), resulting in an offset of \$330 million in federal funding for State costs related to nursing home care. Similar IGT funding has been received by Wisconsin, New York, Virginia, and Florida.
 - a federal waiver for PAAD program costs, providing an additional \$148 million in federal funds for New Jersey for fiscal year 2003.

Fiscal Year 2003 Budget Compared to Fiscal Year 2002 Budget

When viewed by category of funding, \$17 billion, or 72%, of the Fiscal Year 2003 Budget is provided either as State Aid (\$9.4 billion, or 40%) or Grants-in-Aid (\$7.6 billion, 32%). The Direct State Services (DSS) portion of the Budget totals \$5.1 billion and comprises 22% of the Budget. Importantly, Direct State Services funding increases by \$217 million, or 4.4%, in fiscal year 2003, while State Aid increases by \$212 million, or 2.3%, and Grants-in-Aid declines by \$59 million, or 0.8%.

Executive department operating budgets have increased by 0.5%. The remainder of the Direct State Services increase is the result of higher fringe benefits costs and negotiated salary increases. (See Summary of Major Increases and Decreases for a full listing of the recommendations in the Fiscal Year 2003 Budget.)

Management Efficiencies

The Budget anticipates significant savings through a variety of management efficiencies that will eliminate wasteful spending and require State government to maximize its resources.

The Budget also provides for \$87.6 million in program eliminations and \$31.4 million in attrition savings.

The Governor's Budget provides \$250,000 for the operations of the BEST (Budget Efficiency Savings Team) Commission, which was created by Executive Order. The Commission, which includes some of New Jersey's top business leaders, is identifying ways for the State to cut waste and operate more efficiently. This appropriation will cover the cost of support services that the Commission requires to carry out its tasks.

The Budget also provides for a New Car Inspection Waiver program in fiscal year 2003, pending EPA and legislative approval, exempting the owners of new cars from their first scheduled biennial inspection. Instead, new cars would first be inspected at year four of ownership. This initiative would prospectively eliminate approximately 20% (600,000) of the State's biennial inspections and end the practice of paying millions to inspect cars which, by their very nature, pose little chance of failing. The estimated savings total approximately \$6.8 million in fiscal year 2003 (and \$13.6 million annually thereafter) assuming a planned implementation date of January 1, 2003.

The budget maintains the commitment to retain baseline 5%, across-the-board efficiencies enacted as part of the fiscal year 2002 deficit reduction, while enacting further efficiencies to help offset structural budget growth pressures. These efficiencies include:

- \$76 million in savings through an Employee Salary Savings Initiative. The initiative eliminates cabinet and managerial salary increases, and establishes an aggressive attrition program with the implementation of an early retirement program.
- \$48 million in savings achieved by limiting eligibility for the NJ SAVER program to those applicants with incomes of less than \$200,000; the savings will be placed in a separate fund and dedicated to paying down outstanding State debt.

- Reduction in the State workforce: The total workforce on January 25, 2002 was 74,964. Of this, 52,984 supported by State funds. The Fiscal Year 2003 Budget projects this number to decrease by slightly over 1,000 to 51,962.
- Department reductions implemented by cabinet members. For example, a planned reorganization and redesigning of the Department of Education to better balance oversight and support for teaching and learning has achieved a reduction in the Department's workforce and will further improve efficiency while reducing bureaucracy.

NEW INITIATIVES OF THE MCGREEVEY ADMINISTRATION

Governor McGreevey has chosen new investments for the Fiscal Year 2003 Budget with extreme care, targeting increases in a few select areas that reflect his top priorities. These priorities include:

- \$10 million for early childhood literacy programs.
- \$162.4 million for preschool programs in the Abbott school districts, as required by the New Jersey Supreme Court.
- \$57.5 million in new spending for homeland security.
- \$37 million for cancer research.
- \$10 million to re-establish the Department of the Public Advocate.

Literacy

The Fiscal Year 2003 Budget includes the cornerstone of Governor McGreevey's education plan—a literacy program that will include providing reading coaches in under-performing elementary schools to ensure that all students are reading at or above grade level by the end of the third grade.

A new State appropriation of \$10 million represents the first installment of a four-year, \$40 million commitment. State resources will be supplemented by \$18.4 million in aid for a new federal program, "Reading First," which has the same goal.

The Budget also ensures the implementation of the Library Construction Program by providing \$1.4 million for debt service to finance the State's share of capital costs for new construction and expansion of approved libraries throughout the State.

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Early Childhood—The Preschool Advantage

Governor McGreevey recognizes that building a solid educational foundation begins at the pre-school level, particularly for at-risk students in New Jersey's special needs districts. The State's approach to early childhood education is comprehensive, involving both the Departments of Education and Human Services. It integrates educational, social, and family programs so that children can develop the academic and social skills needed for kindergarten, higher grades and life after school.

The Fiscal Year 2003 Budget provides a total increase of \$162.4 million for preschool programs in the Department of Education (\$142.4 million) and the Department of Human Services (\$20 million). The \$142.4 million in Abbott Preschool Expansion Aid will fund the increase in costs between fiscal years 2002 to 2003 for the approved preschool programs for three- and four-year-olds in Abbott districts.

Abbott district enrollment for preschoolers is projected to grow to over 39,000 in fiscal year 2003, an increase of nearly 50% from enrollment levels in the fall of 2001. The Budget also recommends \$126 million in the Department of Human Services for programs held before and after school and during the summer for these eligible preschool children, an increase of \$20 million from fiscal year 2002.

Other Highlighted Education Initiatives

- \$10.3 million in increased funding for School Choice and Charter School Aid to shield local taxpayers from added expenses related to growing enrollment in these schools.
- \$4.8 million continued appropriation for Character Education programs.
- \$4.5 million increase for Teacher Mentoring Aid.
- \$99.6 million in funding from a State appropriation and other sources to support the State's \$8.6 billion school construction program, which provides funding to all districts throughout the State for eligible costs.
- \$1 million for Teacher Recruitment in special needs districts. The appropriation funds the second year of a four-year program.

No Child Left Behind

Federal funds provide an important supplement to State appropriations for education. The Fiscal Year 2003 Budget includes a \$131.4 million increase (19.4%) in federal grants from the prior year, largely due to the enactment of the "No Child Left Behind Act".

Programs with significant increases include Title I Grants to Local Educational Agencies (\$41.9 million, or 19.5%) and Special Education (\$37.2 million, or 16%). The Class Size Reduction program and Eisenhower Professional Development State Grants program were combined into the Improving Teacher Quality program, generating \$17.6 million (37%) in new funding to New Jersey.

New Jersey also will receive \$8.9 million for the development and implementation of the new testing requirements that will be used as a measure of accountability for the increased federal support.

Higher Education

The proposed Fiscal Year 2003 Budget provides nearly \$1.8 billion in aid to the Higher Education community. Of that amount, \$1.2 billion represents operating support for Rutgers, UMDNJ, NJIT, and the eight State colleges and universities. The Budget will fund the State's full obligation for the cost of fringe benefits for the colleges and universities, including the \$26.5 million increase for fiscal year 2003. Funding includes:

- \$155.8 million operating aid for the county colleges, the same level of funding as the current year.
- \$24.5 million in operating aid to the State's private colleges and universities, the same level of appropriation provided in the current year.
- \$170 million for the Tuition Aid Grant (TAG) program, an increase of \$2.4 million. All other tuition assistance programs such as EOF and Outstanding Scholars, have been funded at the current year levels.
- \$5.3 million in grants to colleges and universities to expand and improve Teacher Preparation programs, including \$2.3 million for staff hired in fiscal year 2002 for these purposes.
- \$2.2 million for the Incentive Endowment Fund.

Homeland Security

The Governor's Budget provides \$66 million in funding for security initiatives designed to protect the safety of New Jersey families and communities.

Office of Counter-Terrorism

On January 24, 2002, Governor McGreevey created the Office of Counter-Terrorism (OCT) to provide a uniform, cohesive, and coordinated response to the threats posed to our State by the tragic events of September 11.

The Office has begun to meet the enormous challenge of coordinating the State's response and intelligence capabilities with federal, State, county and local law enforcement agencies, as well as the National Guard.

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The Office will coordinate training and information gathering at all levels of law enforcement. This coordination is essential to maximizing available resources and facilitating the exchange of information among law enforcement agencies.

The Office of Counter-Terrorism will continue its partnership with the Domestic Security Preparedness Task Force to ensure that non-law enforcement government agencies, as well as private industry, develop and implement the practices to ensure the safety of the State's infrastructure.

The OCT will serve as a focal point for all State agencies. It will develop, implement, and monitor Statewide counter-terrorism grant programs, and conduct programs and financial audits to ensure compliance with federal and State program requirements in order to effectively leverage all available resources to meet the vital public safety goals and objectives.

The Budget provides \$6.9 million to expand the OCT. When combined with the \$2.7 million supplemental appropriation initially provided in fiscal year 2002, New Jersey will provide \$9.6 million to support a staff of 90 investigators, attorneys, and intelligence experts.

The Department expects to secure federal counter-terrorism grants from the Department of Justice totaling approximately \$5 million to complement this effort.

Public Health Preparedness

Following the advice of the Medical Emergency and Disaster Prevention and Response Expert Panel ("MEDPREP"), the Fiscal Year 2003 Budget provides \$25 million to the Department of Health and Senior Services to advance a series of recommendations issued by MEDPREP to further prepare our public health and health care systems to prevent and respond to acts of terrorism and other emergencies that may result in mass casualties and/or mass exposures.

This funding will complement State and federal funding to meet the following primary objectives:

- Establish an incident command structure to respond more effectively to emergencies and disasters.
- Improve real time communications between and among hospitals, emergency medical services, other first responders and the State on disease surveillance and response using various technologies.

- Provide necessary training to the health care workforce on the clinical diagnosis and management of those exposed, infected, injured, and/or contaminated; develop plans and procedures for population control and mass treatment including vaccinations.
- Purchase and distribute antibiotics, antidotes, and personal protective and decontamination equipment.
- Support necessary drills and training exercises; enhance public education and notification; standardize training and equipment for, and coordination of, hazardous materials response units.
- Expand laboratory testing capability for chemical, biological and radioactive agents and establish formal relationships with other laboratories within the State.
- Provide surge capacity testing and back-up services; and inventory Statewide mental health programs.

Under a pending federal bio-terrorism grant totaling just over \$27 million, New Jersey has earmarked \$23.7 million to establish an Office of Public Health Preparedness in the Department of Health and Senior Services and upgrade the Department of Environmental Protection's existing Environmental Hotline Unit for reliable 24/7 emergency notification and dispatch services.

The federal funds would also establish a Health Operations Center to support on-site tactical operations in response to terrorist acts, build testing capacity for rapid identification, and deploy a web-based electronic disease reporting system involving local health departments, clinical labs, and private physicians.

The remaining \$3.5 million would support a new Hospital Bio-terrorism Preparedness program to coordinate hospital efforts to manage potential epidemics on a regional level, and to prepare a plan for emergency communications.

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Other Security Investments

The Budget includes a number of other initiatives to enhance the security of New Jersey communities and businesses. The Governor proposed that the State dedicate \$100 million over the next four years to create a state-of-the-art training facility for State and local law enforcement, as well as a new State Police headquarters and emergency management center to replace outdated facilities:

- \$5 million has been budgeted for the design and engineering of a new State Police Professional Training Center as well as a new headquarters building. When completed, the Training Center will serve as a central state-of-the-art site for training State troopers and police from throughout New Jersey.
- \$5.4 million in fiscal year 2003 will finance payments for laboratory and communications equipment purchased for the State Police's new \$83 million Forensic Laboratory and Troop C Headquarters in Hamilton. This facility, supported by New Jersey Building Authority financing, is expected to open in the spring of 2003.
- Another Building Authority project is the \$24 million, state-of-the-art Emergency Management Center at the State Police Headquarters in Ewing Township. A debt service appropriation of \$1.9 million is included in the budget for this initiative.
- \$30 million is anticipated and earmarked within the Federal Fiscal Year 2002 Budget to modernize the State Police radio system.

The McGreevey Administration recommends a \$6.5 million appropriation to the Department of Transportation to develop a new Digitized Drivers License system. The September 11 attacks underscored security concerns over falsification of identifying documents. Supported by a surcharge on licenses, the program will furnish a digitized color picture and signature on new and renewed licenses.

The State will address September 11-related disruptions to New Jersey's transportation and commuting patterns by applying for \$190 million in federal funds designated within the Federal Fiscal Year 2002 Budget. These funds will expand ferry service between New Jersey and Manhattan and accelerate improvements to PATH and NJ Transit systems linking New Jersey to New York City.

In recognition that disaster recovery efforts must include the State's core data systems, the budget proposes \$5.7 million for the Office of Information

Technology (OIT). A distributed recovery capability for data processing services is a key element of security preparedness. The OIT Availability and Recovery Site (OARS) will extend the Garden State Network to a new, in-state site equipped with automatic, 24-hour backup capability.

The Budget also includes \$4.5 million to fund the construction of the computer data bases and networks needed to implement the Insurance Verification system, a key auto insurance reform that the Governor committed to during his campaign. The system will provide up-to-date information for law enforcement during traffic stops concerning whether a driver's insurance policy has lapsed for lack of payment.

Cancer Research

Following through on a campaign promise, the Governor proposes an increase of \$37 million for cancer research and treatment.

Most prominently, an appropriation of \$28 million is earmarked to the Cancer Institute of New Jersey (CINJ) through the Department of Health. Established in 1990, the Cancer Institute is the only center in New Jersey designated by the National Cancer Institute and is one of only 13 NCI-designated cancer centers in the nation. Together with \$15 million previously appropriated to the University of Medicine and Dentistry of New Jersey from fiscal year 2001 through fiscal year 2003, a total of \$43 million will be invested in the Cancer Institute initiative.

In addition, the budget proposes \$8 million to expand cancer initiatives within the Department of Health and Senior Services (\$7 million) and for the Garden State Cancer Center (\$1 million). New State funds are also provided for an International Conference on New Initiatives in Cancer and Chronic Illness that will highlight new developments in cancer research and treatment (\$500,000) and to support a public health "SWAT" team to investigate cancer clusters, providing rapid response and analysis (\$500,000).

Department of the Public Advocate

Governor McGreevey's Fiscal Year 2003 Budget provides \$10 million for the re-establishment of the Department of the Public Advocate, which was abolished in 1994. Key functions of the Public Advocate will include:

- Enhanced consumer protection and advocacy on behalf of the indigent, elderly, children, and others who are not able to protect themselves as individuals or as a class.

- Consolidation of ombudspersons, guardians, and the ratepayer advocate, making greater use of alternative dispute resolution to resolve complaints or grievances.

Pending passage of enabling legislation, the appropriation recommended for the Department of the Public Advocate is listed as a line item within the Department of Treasury budget.

Taxpayer Relief

Despite the unprecedented structural budget problems facing New Jersey, Governor McGreevey has not only protected the current property tax relief programs but has provided an increase of almost \$370 million (3.2%) over fiscal year 2002. The Fiscal Year 2003 Budget provides nearly \$12 billion in direct or indirect property tax relief to New Jersey communities and citizens, representing approximately half of the entire State Budget.

These funds are essential to local schools and governments, not only to subsidize operating costs, but because they represent property tax relief. State Aid consists of school aid, municipal aid, other local aid, and local property tax relief. In addition to State Aid and Direct Taxpayer Relief, local governments will benefit from Pension Security Program (PSP) and the Police and Firemen's Retirement System (PFRS) savings of approximately \$312 million in Fiscal Year 2003. (See Fiscal Year 2003 Taxpayer Relief for a detailed listing of these amounts.)

School Aid

State Aid for local school districts is the single largest purpose to which State funds are devoted. In recognition of the high priority given to education by this Administration, the Fiscal Year 2003 Budget includes \$6.6 billion in direct aid to local school districts.

The fiscal year 2003 spending plan also provides \$44.6 million for school construction and renovation costs associated with the Educational Facilities Construction and Financing Act and will be supplemented by \$55 million from other sources. This includes State debt service and increased aid for recently issued local debt for school construction.

The Budget provides \$977.6 million in payments on behalf of local districts for teachers' retirement benefits and the employer's share of social security payments. This represents an increase of \$71.9 million above fiscal year 2002 and shields property taxpayers from shouldering these costs.

The Fiscal Year 2003 Budget recommendation for most categories of Direct Aid is at the same level as in fiscal 2002. Court-mandated funding under the Abbott v. Burke parity remedy will grow to \$512.7 million.

Municipal Aid

The budget fulfills Governor McGreevey's promise to suburban and urban communities that their State funding will be held harmless despite a serious downturn in state revenues. Meeting this commitment, and providing an increase in funding for various tax relief programs, will enable municipalities to hold the line on property taxes. The Budget provides a \$13.8 million increase in the Special Municipal Aid category, increasing total program aid to \$52.5 million, to give the Commissioner of the Department of Community Affairs the resources to assist municipalities hard-pressed by unique fiscal problems.

The two major municipal aid categories, Consolidated Municipal Property Tax Relief and Energy Receipts Property Tax Relief, are funded at a combined total of \$1.6 billion. This will maintain reliability and stability for municipalities as they prepare their budgets and make long-term fiscal plans. The Budget also provides for:

- Increasing Extraordinary Aid by \$5 million.
- Maintaining full funding for the \$35 million Legislative Initiative Block Grant Program.
- Increasing to \$8 million State payments in lieu of taxes for open space.

Other Local Aid

In fiscal year 2003, the budget provides \$612.6 million in local aid through various categorical aid programs, an increase of \$33.3 million, or 5.7%. As noted on the Fiscal Year 2003 Taxpayer Relief chart, several of the programs received continuation funding in fiscal year 2003. Areas of change are highlighted below:

- County Colleges: County College Aid decreases slightly by \$2.1 million to a total of \$201.6 million in fiscal year 2003 due to lower debt service requirements.
- Aid to County Psychiatric Hospitals: The budget recommends \$94.5 million, or an increase of \$2.8 million, to provide continued support to county-operated psychiatric hospitals.
- Urban Enterprise Zones (UEZ): Two critical elements of the UEZ program involve the State's Sales and Use Tax. Under the program, the Sales Tax within the zones is reduced from the normal 6% to 3% and those receipts are dedicated to the UEZ municipalities to fund projects within the zones. In fiscal year 2003,

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Sales Tax revenues totaling \$79.0 million will be retained by municipalities involved in the UEZ program, an increase of \$21.6 million above fiscal year 2002 estimates.

- Library Aid: State Aid to support New Jersey's vast public library system totals \$16.9 million in fiscal year 2003, an increase of \$1.5 million above the fiscal year 2002 amount. The increase includes funds allocated for debt service for new library construction projects. Of the remaining amount, approximately \$8.7 million is provided to support the basic operations of each county and municipal library and \$6.7 million is for inter-library networking and special developmental projects.
- Pension Contributions for Localities: Contributions for pensions and related health benefits for the Police and Firemen's Retirement System (PFRS) and the Consolidated Police and Firemen's Pension Fund are also included in this category. The cost of these benefits in fiscal year 2003 is estimated to be \$31.4 million, an increase of \$9.5 million from fiscal year 2002.

Direct Property Tax Relief

The Budget includes \$1.6 billion in direct relief to property taxpayers in the form of rebates and State-funded tax deductions, approximately the same amount as that provided in fiscal year 2002.

The Budget preserves these programs as essential components of relief for property taxpayers. It provides for a \$25 increase in the maximum Homestead Rebate, up to \$775, for senior citizens and the disabled. The Budget provides a \$50 increase in the property tax deduction for veterans, an increase of 31.5%. Qualified senior and disabled residents will continue to receive a \$250 property tax exemption. The total cost of the State's reimbursement to municipalities for veterans, seniors, and disabled residents is \$95.7 million. The Budget also assumes nearly \$328 million in revenues lost in property taxes deducted from State income tax returns. This is an increase of \$11 million or 3.5%.

The Budget funds the NJ SAVER rebate program as a major offset to rising property taxes. The budget proposes limiting NJ SAVER rebates to those households earning less than \$200,000 so that the State can serve families in greatest need of property tax relief. NJ SAVER checks will remain at last year's levels, an average of \$500 in direct relief. The NJ SAVER program is expected to provide property tax relief to 1.4 million households at a cost of \$679.1 million. The fiscal year 2003 Homestead Rebate program is funded at \$514.3 million, an increase of \$13.7 above the

current year. This growth is driven by a statutory change that increases the maximum rebate for senior/disabled homeowners and tenants from \$750 to \$775. The program will provide aid to \$1.6 million homeowners and tenants with incomes of \$100,000 or less in fiscal year 2003.

The Property Tax Freeze sets aside a record \$18 million, a 70% increase, to freeze the taxes of qualified seniors. The income eligibility thresholds under the Property Tax Freeze program have been increased substantially, from \$18,587 to \$38,475 if single, or \$22,791 to \$47,177 if married, which is expected to double the number of senior citizens eligible to take advantage of the program.

Health and Welfare

The Budget provides funding to continue staffing increases in the Department of Human Services, which began in fiscal year 2002, to address federal institutional certification requirements and to increase DYFS staffing to ease workload concerns. The total staff increase between the beginning of fiscal year 2002 and fiscal year 2003 is approximately 1,200. The additional staff will not only improve the delivery of services to patients but will ensure that New Jersey retains its accreditation and averts the risk of losing federal funding.

The budget provides New Jersey physicians with an increase in Medicaid reimbursement rates, beginning July 1, 2002. By raising the reimbursement rate by \$8.75 million, the State will trigger equal matching funds from the federal government, extending a total benefit of \$17.5 million to eligible doctors. The increase addresses concerns that many physicians are leaving the Medicaid program due to poor and inconsistent reimbursement practices.

The Budget also calls for no changes in benefits, co-payments or eligibility for the Pharmaceutical Aid for the Aged and Disabled (PAAD) program, retaining prescription help for seniors and disabled at a time of rising costs and fiscal distress. The Budget anticipates the State will achieve \$148 million in program savings by acquiring federal funds through a federal waiver.

The Governor's Budget proposes an increase of \$4 million to transition an additional 1,500 elderly citizens from nursing homes to assisted living arrangements over the next four years. Of the 1,500 new placements, an estimated 375 slots would be made available in the first year, fiscal year 2003.

The fiscal year 2003 spending plan continues level funding of \$18.7 million for the Children's System of Care Initiative (CSOCI), which leverages state and federal resources to deliver an array of individualized,

direct mental health services to children and families with acute needs. The level funding triggers a draw-down of \$200 million in federal funds and would expand the program to facilitate the establishment of the Wynona M. Lipman Education and Treatment Center.

The Budget provides for a 2% cost-of-living increase for community care providers effective July 1, 2002. The COLA will assist the State's goal of recruiting workers for positions in community-based housing programs, thus addressing a sizable waiting list of community slots for the developmentally disabled.

The Budget proposes to spend \$17 million to fully fund the redirection program at Greystone Psychiatric Hospital. The program is designed to support the construction of a modern hospital to replace Greystone, moving psychiatric patients to new facilities or community placements, and providing necessary mental health services for patients who are moving to community facilities or who are ready to be discharged from State residential care. This spending is designed to move patients out of institutional settings and into more appropriate treatment settings.

The new Budget includes \$3.3 million for the development of a Statewide Automated Child Welfare Information System (SACWIS). The SACWIS will provide the Division of Youth and Family Services with a single data base system to better track children and families in the system.

The Budget provides a modest housing subsidy from federal block grant monies to help offset the financial impact when families receiving public assistance reach the five-year time limit.

The Budget also provides:

- \$776,000 for continued funding for childhood lead poisoning prevention and control.
- A shift in costs to require HMOs to pay \$2.5 million for the State's appeals and monitoring program to protect managed care consumers. This will provide stable funding for this program to protect the health care rights of employees and consumers.
- Maintaining the \$800,000 in increased funding to track and control West Nile Virus provided between fiscal year 2000 and fiscal year 2002.

The Budget provides \$30 million for the Comprehensive Tobacco Control Program, which is intended to reduce the use of tobacco and exposure to environmental tobacco smoke. The program combats the ill-effects of tobacco products through community-based tobacco control partnerships, a youth anti-tobacco awareness media campaign, smoking cessation, school-

based prevention programs, and research, surveillance, evaluation, and assistance for anti-smoking programs.

The Division of Addiction Services, within the Department of Health and Senior Services, administers the federally funded \$3.2 million World Trade Center: New Jersey Recovers Project. The project offers counseling and other assistance to people who have developed alcohol and/or substance abuse problems as a result of the WTC attacks. These free and confidential services are available to families of the WTC attack victims, survivors of the WTC attacks, witnesses of the attacks and/or collapse of the WTC, all rescue workers, and people who lost their jobs as a result of the attacks.

Smart Growth and the Environment

Efficient Government

The Department of Environmental Protection (DEP) will be upgrading and enhancing the efficiency of the New Jersey Environmental Management System (NJEMS), its permit review process, through \$3.8 million in revenue derived from increased operator/permitting fees. These fees have been frozen for several years, which placed the burden of increased costs for permit administration on the shoulders of State taxpayers.

The DEP has been integrating its internal databases through NJEMS. The overall goal of NJEMS is to provide the DEP with an information system that enables the most informed environmental decision-making possible, at all levels of government, as well as to provide the public with better access to environmental information affecting their communities. DEP program staff are now using NJEMS to develop and issue permits, evaluate compliance, issue enforcement documents, and track fees and fines. NJEMS will eventually enable the DEP to assess facilities from a multimedia perspective, advance pollution prevention goals, monitor environmental indicators, and streamline regulatory compliance. This investment will enable the DEP to improve its delivery of services, and will make the information in NJEMS more easily available to county and local governments as well.

Watershed Management

Through the Watershed Management Planning Program, the DEP partners with local stakeholders to address water resource issues in each watershed. Watershed management planning offers the opportunity to integrate water supply issues with the need to maintain or restore water quality and protect aquatic ecosystems. Watershed planning can also work hand-in-hand with

SUMMARIES OF APPROPRIATIONS

smart growth, by identifying ways to address water quality issues that are expected to arise as an area changes and undergoes additional development.

In fiscal year 2003, the Watershed Management Planning Program will receive \$10.6 million of the total DEP funding allocated from the State's Corporation Business Tax (CBT). In addition, the budget proposes a General Fund appropriation of \$945,000.

Protecting the Jersey Shore

The Jersey Shore, the State's most valuable tourist attraction, is integral to the State's economy. To protect the beaches, the Fiscal Year 2003 Budget maintains \$25 million for shore protection from the Realty Transfer Fee. These funds will leverage up to \$34 million in federal funds and \$4 million in local funds for beach replenishment projects. The projects planned for fiscal year 2003 include beach fills at Townsend Inlet, Cape May Inlet, Manasquan Inlet, Barnegat Inlet, Cape May City, and Lower Township.

Operating/Permitting Fees

Many of the DEP's fees have been frozen for several years. Fees for New Jersey Pollutant Discharge Elimination System (NJPDES) permits have not increased since 1993, fees for Treatment Works Approvals (TWAs) have not increased since 1989, and several other fees are currently capped at 1995 levels. Fee revenues now fall far short of the cost of operating the programs that charge fees. As a result, the permit applicants and others who generate the work for these programs pay less and less of the cost. The burden instead falls on the State's taxpayers to make up the difference.

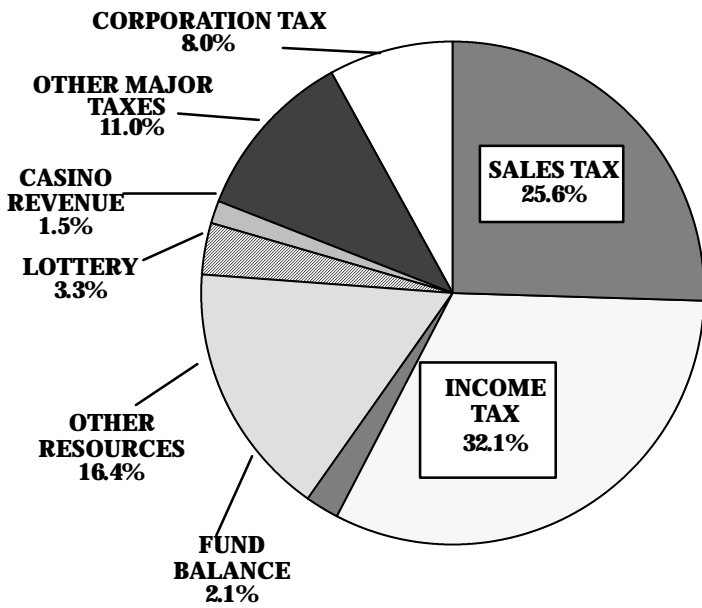
To reduce this inequity, the Fiscal Year 2003 Budget recommends a combined increase of nearly \$18 million in fees for the following services: New Jersey Pollutant Discharge Elimination System (NJPDES) permits, stormwater permits, treatment works approvals, air Operating Permits, solid and hazardous waste, land use regulation, and the Environmental Infrastructure Financing Program. The proposed increase represents the first phase of a two-year plan to increase each fee to a level that fully supports its related program.

NEW JERSEY BUDGET

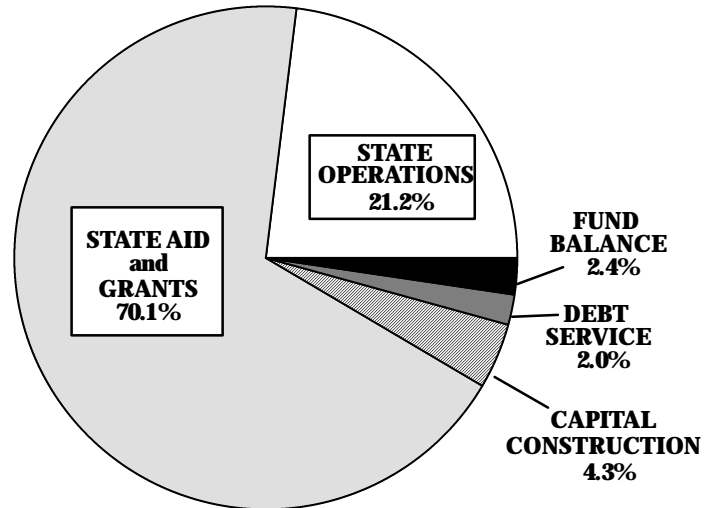
RESOURCES AND RECOMMENDATIONS FOR FISCAL YEAR 2003

ALL STATE FUNDS

Resources



Recommendations



RESOURCES

(\$000)

INCOME TAX	\$7,776,971
SALES TAX	6,227,275
CORPORATION and BANK TAX	1,924,400
LOTTERY REVENUE	797,000
CASINO REVENUE	360,000

OTHER MAJOR TAXES:

Transfer Inheritance	560,000
Motor Fuels	528,000
Motor Vehicle Fees	451,876
Cigarette	412,000
Insurance Premium	318,000
Petroleum Products Gross Receipts	225,000
Realty Transfer	88,000
Alcoholic Beverage Excise	76,000
Tobacco Products Wholesale Sales	13,000
Public Utility Excise	8,700
Savings Institutions	5,000

OTHER RESOURCES 3,966,731

SUB-TOTAL RESOURCES \$23,737,953

ESTIMATED FUND BALANCE, JULY 1, 2002

General Fund	435,000
Surplus Revenue Fund	--
Property Tax Relief Fund	65,000
Debt Retirement Fund	--
Casino Revenue Fund	--
Casino Control Fund	--
Gubernatorial Elections Fund	--
TOTAL	<u>\$24,237,953</u>

RECOMMENDATIONS

(\$000)

Education	\$7,688,481
Human Services	4,149,492
Interdepartmental	2,092,627
Treasury	1,850,235
Higher Education	1,419,900
Transportation	1,298,216
Community Affairs	1,053,876
Health and Senior Services	1,002,016
Corrections	867,064
Law and Public Safety	504,859
Debt Service	493,848
Judiciary	487,672
Environmental Protection	320,654
Labor	94,012
State	74,330
Military and Veteran's Affairs	71,635
Legislature	70,219
Banking and Insurance	68,123
Other Departments	55,908

SUB-TOTAL RECOMMENDATIONS \$23,663,167

ESTIMATED FUND BALANCE, JUNE 30, 2003

General Fund	525,000
Surplus Revenue Fund	--
Property Tax Relief Fund	--
Casino Revenue Fund	--
Casino Control Fund	--
Gubernatorial Elections Fund	1,500
Debt Avoidance and Retirement Fund	48,286
TOTAL	<u>\$24,237,953</u>

SUMMARIES OF APPROPRIATIONS

TABLE I
SUMMARY OF FISCAL YEAR 2002-2003 APPROPRIATION RECOMMENDATION
 (thousands of dollars)

Table I shows the appropriations from all State sources by Fund. It highlights the percent change in appropriations between fiscal years.

	Fiscal		----Change----	
	Year 2002 Adjusted Appropriations	Fiscal Year 2003 Recommendations	Dollar	Percent
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	\$ 16,463,190	\$ 16,618,346	\$ 155,156	0.90%
State Operations				
Executive Departments	3,167,097	3,193,860	26,763	0.80%
Legislature	72,380	70,219	(2,161)	(3.00%)
Judiciary	479,035	487,672	8,637	1.80%
Interdepartmental	1,131,760	1,327,384	195,624	17.30%
Total State Operations	4,850,272	5,079,135	228,863	4.70%
Capital Construction	1,075,562	1,049,101	(26,461)	(2.50)%
Debt Service	493,887	493,848	(39)	---
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	22,882,911	23,240,430	357,519	1.60%
CASINO REVENUE FUND	362,741	360,000	(2,741)	0.80%
CASINO CONTROL FUND	62,737	62,737	---	---
GUBERNATORIAL ELECTION FUND	11,200	---	(11,200)	(100.0)%
GRAND TOTAL STATE APPROPRIATIONS	\$ 23,319,589	\$ 23,663,167	\$ 343,578	1.50%

TABLE II
SUMMARY OF FISCAL YEAR 2002 ñ 2003 APPROPRIATION RECOMMENDATIONS BY FUND
 (thousands of dollars)

Table II shows comprehensive prior year financial data, current year appropriations, and budgeted year recommendations by fund and major spending categories.

-----Year Ending June 30, 2001-----					Year Ending ----June 30, 2003----			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2002 Adjusted Approp.	2003 Requested	2003 Recom- mended	
4,754,382	426,522	70,492	5,251,396	4,894,425				
5,808,436	269,830	-140,641	5,937,625	5,218,164				
842,458	263,990	-32,804	1,073,644	761,946				
1,188,068	327,195	-8,341	1,506,922	1,170,999				
530,003	---	---	530,003	525,046				
13,123,347	1,287,537	-111,294	14,299,590	12,570,580				
					General Fund			
					Direct State Services	4,850,272	5,080,997	5,079,135
					Grants-in-Aid	6,083,554	6,319,327	6,054,020
					State Aid	2,695,133	2,742,525	2,722,355
					Capital Construction	1,075,562	1,044,424	1,049,101
					Debt Service	493,887	493,848	493,848
					Total General Fund	15,198,408	15,681,121	15,398,459
					Property Tax Relief Fund	7,684,503	7,841,971	7,841,971
					Casino Control Fund	62,737	62,737	62,737
					Casino Revenue Fund	362,741	360,000	360,000
					Gubernatorial Elections Fund	11,200	---	---
					GRAND TOTAL STATE APPROPRIATIONS	23,319,589	23,945,829	23,663,167

SUMMARIES OF APPROPRIATIONS

TABLE III
SUMMARY OF APPROPRIATIONS BY ORGANIZATION

(thousands of dollars)

Table III on the following four pages shows detailed prior year financial data, current year appropriations, and amounts recommended for the coming year by major spending category and governmental branch and organization.

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available Expended			2002 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Legislative Branch								
10,519	3,549	156	14,224	11,970	Senate	11,167	11,167	11,167
16,157	3,964	179	20,300	16,159	General Assembly	17,511	17,511	17,511
25,474	3,906	1,273	30,653	29,707	Legislative Support Services	30,415	26,797	26,797
12,765	1,206	159	14,130	10,533	Legislative Commission	13,287	14,744	14,744
64,915	12,625	1,767	79,307	68,369	Total Legislative Branch	72,380	70,219	70,219
Executive Branch								
5,620	1,625	601	7,846	6,189	Chief Executive	5,718	5,424	5,424
10,395	2,062	399	12,856	12,273	Department of Agriculture	11,392	10,731	10,731
65,275	9,891	893	76,059	66,151	Department of Banking and Insurance	68,164	68,123	68,123
34,032	14,292	-1,446	46,878	44,690	Department of Community Affairs	39,466	37,271	37,271
765,517	11,644	26,141	803,302	788,269	Department of Corrections	790,358	774,729	774,729
55,311	3,231	2,071	60,613	54,823	Department of Education	57,620	55,683	55,683
202,315	34,004	8,426	244,745	231,988	Department of Environmental Protection	226,956	218,980	218,980
87,170	20,954	8,887	117,011	115,336	Department of Health and Senior Services	103,667	130,496	130,496
86,299	20,952	8,861	116,112	114,442	(From General Fund)	102,796	129,625	129,625
871	2	26	899	894	(From Casino Revenue Fund)	871	871	871
522,633	29,890	69,504	622,027	595,064	Department of Human Services	579,402	626,790	626,790
59,373	18,780	813	78,966	75,664	Department of Labor	58,560	60,293	60,293
436,006	116,216	22,747	574,969	497,264	Department of Law and Public Safety	484,034	467,937	467,937
389,613	116,007	22,747	528,367	451,219	(From General Fund)	436,943	432,046	432,046
35,201	209	---	35,410	34,855	(From Casino Control Fund)	35,799	35,799	35,799
92	---	---	92	90	(From Casino Revenue Fund)	92	92	92
11,100	---	---	11,100	11,100	(From Gubernatorial Election Fund)	11,200	---	---
64,932	3,206	3,603	71,741	70,623	Department of Military and Veterans' Affairs	72,037	68,812	68,812
28,138	5,070	1,552	34,760	33,737	Department of Personnel	29,541	27,195	27,195
22,528	471	5,410	28,409	24,758	Department of State	28,144	29,224	27,362
254,502	21,598	12,422	288,522	269,267	Department of Transportation	241,900	268,255	268,255
401,089	65,327	-168	466,248	423,469	Department of the Treasury	443,646	408,087	408,087
376,847	64,942	-168	441,621	399,634	(From General Fund)	416,708	381,149	381,149
24,242	385	---	24,627	23,835	(From Casino Control Fund)	26,938	26,938	26,938
1,325	56	-21	1,360	1,312	Miscellaneous Commissions	1,392	1,392	1,392
3,016,161	358,317	161,834	3,536,312	3,310,877	Total Executive Branch	3,241,997	3,259,422	3,257,560
2,944,655	357,721	161,808	3,464,184	3,240,103	(From General Fund)	3,167,097	3,195,722	3,193,860
59,443	594	---	60,037	58,690	(From Casino Control Fund)	62,737	62,737	62,737
963	2	26	991	984	(From Casino Revenue Fund)	963	963	963
11,100	---	---	11,100	11,100	(From Gubernatorial Election Fund)	11,200	---	---
Inter-Departmental Accounts								
156,991	3,618	-343	160,266	149,171	Property Rentals	174,641	158,226	158,226
82,475	153	-1,345	81,283	73,183	Insurance and Other Services	57,710	54,125	54,125
821,463	16,376	50,492	888,331	857,703	Employee Benefits	785,117	906,316	906,316

SUMMARIES OF APPROPRIATIONS

Orig. & (S) Supplemental	Year Ending June 30, 2001					Year Ending June 30, 2003		
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
61,353	3,029	-12,591	51,791	35,928	Other Inter-Departmental Accounts	82,376	62,113	62,113
174,689	23,707	-155,934	42,462	6,362	Salary Increases and Other Benefits	7,000	120,188	120,188
23,879	928	2,213	27,020	27,015	Utilities and Other Services	24,916	26,416	26,416
1,320,850	47,811	-117,508	1,251,153	1,149,362	Total Inter-Departmental Accounts	1,131,760	1,327,384	1,327,384
Judicial Branch								
423,962	8,365	24,425	456,752	436,591	The Judiciary	479,035	487,672	487,672
423,962	8,365	24,425	456,752	436,591	Total Judicial Branch	479,035	487,672	487,672
4,825,888	427,118	70,518	5,323,524	4,965,199	Total Direct State Services	4,925,172	5,144,697	5,142,835
4,754,382	426,522	70,492	5,251,396	4,894,425	(From General Fund)	4,850,272	5,080,997	5,079,135
59,443	594	---	60,037	58,690	(From Casino Control Fund)	62,737	62,737	62,737
963	2	26	991	984	(From Casino Revenue Fund)	963	963	963
11,100	---	---	11,100	11,100	(From Gubernatorial Election Fund)	11,200	---	---
GRANTS-IN-AID								
Executive Branch								
---	8,000	-2,000	6,000	296	Chief Executive	---	---	---
3,334	2,376	834	6,544	3,597	Department of Agriculture	3,904	2,254	2,254
114,854	20,281	5,171	140,306	130,186	Department of Community Affairs	97,780	37,041	37,041
165,040	7,810	---	172,850	115,254	Department of Corrections	90,105	89,435	89,435
6,973	---	---	6,973	3,536	Department of Education	10,326	13,551	13,551
7,986	1,331	14,259	23,576	14,222	Department of Environmental Protection	10,960	500	500
1,033,357	66,884	4,517	1,104,758	780,386	Department of Health and Senior Services	1,005,016	830,901	830,901
750,923	14,909	4,543	770,375	451,256	(From General Fund)	693,868	522,607	522,607
282,434	51,975	-26	334,383	329,130	(From Casino Revenue Fund)	311,148	308,294	308,294
2,659,041	192,249	-121,990	2,729,300	2,543,379	Department of Human Services	2,969,949	3,234,277	3,234,277
2,635,672	192,249	-121,990	2,705,931	2,520,024	(From General Fund)	2,946,580	3,210,908	3,210,908
23,369	---	---	23,369	23,355	(From Casino Revenue Fund)	23,369	23,369	23,369
23,731	140	4,127	27,998	26,454	Department of Labor	33,064	33,719	33,719
21,291	140	4,127	25,558	24,014	(From General Fund)	30,624	31,279	31,279
2,440	---	---	2,440	2,440	(From Casino Revenue Fund)	2,440	2,440	2,440
37,283	3,500	151	40,934	26,105	Department of Law and Public Safety	29,765	19,822	19,822
1,234	118	5,974	7,326	7,171	Department of Military and Veterans' Affairs	1,394	1,044	1,044
1,134,338	9,563	-29,358	1,114,543	1,086,128	Department of State	1,230,202	1,357,892	1,134,003
209,097	1,218	56	210,371	209,184	Department of Transportation	260,027	260,027	260,027
891,694	8,196	-146	899,744	776,142	Department of the Treasury	1,418,704	1,375,574	1,369,156
209,306	8,196	-146	217,356	139,318	(From General Fund)	180,077	164,103	157,685
682,388	---	---	682,388	636,824	(From Property Tax Relief Fund)	1,238,627	1,211,471	1,211,471
6,287,962	321,666	-118,405	6,491,223	5,722,040	Total Executive Branch	7,161,196	7,256,037	7,025,730
5,297,331	269,691	-118,379	5,448,643	4,730,291	(From General Fund)	5,585,612	5,710,463	5,480,156
682,388	---	---	682,388	636,824	(From Property Tax Relief Fund)	1,238,627	1,211,471	1,211,471
308,243	51,975	-26	360,192	354,925	(From Casino Revenue Fund)	336,957	334,103	334,103

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recommended
					GRANTS-IN-AID			
					Inter- Departmental Accounts			
394,478	139	1,473	396,090	396,053	Employee Benefits	423,160	446,551	446,551
525	---	-525	---	---	Other Inter- Departmental Accounts	200	200	200
23,360	---	-23,360	---	---	Salary Increases and Other Benefits	---	35,000	---
92,742	---	150	92,892	91,820	Aid to Independent Authorities	74,492	127,113	127,113
511,105	139	-22,262	488,982	487,873	Total Inter- Departmental Accounts	497,852	608,864	573,864
					Judicial Branch			
---	---	---	---	---	The Judiciary	90	---	---
---	---	---	---	---	Total Judicial Branch	90	---	---
6,799,067	321,805	-140,667	6,980,205	6,209,913	Total Grants-in-Aid	7,659,138	7,864,901	7,599,594
5,808,436	269,830	-140,641	5,937,625	5,218,164	(From General Fund)	6,083,554	6,319,327	6,054,020
682,388	---	---	682,388	636,824	(From Property Tax Relief Fund)	1,238,627	1,211,471	1,211,471
308,243	51,975	-26	360,192	354,925	(From Casino Revenue Fund)	336,957	334,103	334,103
					STATE AID			
					Executive Branch			
9,092	498	---	9,590	8,714	Department of Agriculture	9,642	8,642	8,642
894,824	49,882	-2,224	942,482	906,369	Department of Community Affairs	980,584	979,564	979,564
18,229	47,932	-1,774	64,387	36,905	(From General Fund)	18,462	18,042	18,042
876,595	1,950	-450	878,095	869,464	(From Property Tax Relief Fund)	962,122	961,522	961,522
6,710,755	28,789	-1,064	6,738,480	6,703,995	Department of Education	7,359,358	7,618,847	7,618,847
103,825	650	-997	103,478	96,020	(From General Fund)	2,016,638	2,107,259	2,107,259
6,606,930	28,139	-67	6,635,002	6,607,975	(From Property Tax Relief Fund)	5,342,720	5,511,588	5,511,588
20,856	36	103	20,995	20,187	Department of Environmental Protection	32,380	15,009	15,009
11,583	36	103	11,722	10,976	(From General Fund)	22,557	4,556	4,556
9,273	---	---	9,273	9,211	(From Property Tax Relief Fund)	9,823	10,453	10,453
32,451	2	---	32,453	32,441	Department of Health and Senior Services	39,969	39,969	39,969
314,535	68,356	-30,514	352,377	284,824	Department of Human Services	264,984	280,925	280,925
6,290	---	---	6,290	5,544	Department of Law and Public Safety	14,872	9,272	9,272
19,812	---	---	19,812	19,811	Department of State	18,612	27,745	19,575
23,754	2,075	---	25,829	25,829	Department of Transportation	24,821	24,934	24,934
---	75	---	75	75	(From General Fund)	---	---	---
23,754	2,000	---	25,754	25,754	(From Casino Revenue Fund)	24,821	24,934	24,934
467,429	148,013	378	615,820	400,488	Department of the Treasury	420,608	393,052	381,052
326,641	146,441	378	473,460	266,636	(From General Fund)	289,397	246,115	234,115
123,608	1,572	---	125,180	116,672	(From Property Tax Relief Fund)	131,211	146,937	146,937
17,180	---	---	17,180	17,180	(From Casino Revenue Fund)	---	---	---
8,499,798	297,651	-33,321	8,764,128	8,408,202	Total Executive Branch	9,165,830	9,397,959	9,377,789
842,458	263,990	-32,804	1,073,644	761,946	(From General Fund)	2,695,133	2,742,525	2,722,355
7,616,406	31,661	-517	7,647,550	7,603,322	(From Property Tax Relief Fund)	6,445,876	6,630,500	6,630,500
40,934	2,000	---	42,934	42,934	(From Casino Revenue Fund)	24,821	24,934	24,934
8,499,798	297,651	-33,321	8,764,128	8,408,202	Total State Aid	9,165,830	9,397,959	9,377,789
842,458	263,990	-32,804	1,073,644	761,946	(From General Fund)	2,695,133	2,742,525	2,722,355
7,616,406	31,661	-517	7,647,550	7,603,322	(From Property Tax Relief Fund)	6,445,876	6,630,500	6,630,500
40,934	2,000	---	42,934	42,934	(From Casino Revenue Fund)	24,821	24,934	24,934

SUMMARIES OF APPROPRIATIONS

Orig. & (S) Supplemental	Year Ending June 30, 2001					2002 Adjusted Approp.	Year Ending June 30, 2003	
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended			Requested	Recommended
CAPITAL CONSTRUCTION								
Legislative Branch								
---	1,267	---	1,267	865	Legislative Support Services	---	---	---
---	1,267	---	1,267	865	Total Legislative Branch	---	---	---
Executive Branch								
600	20,718	---	21,318	10,689	Department of Agriculture	50	---	---
32,701	39,992	-3,291	69,402	19,015	Department of Corrections	19,177	2,900	2,900
4,536	2,295	250	7,081	1,970	Department of Education	2,930	400	400
103,151	69,932	-11,106	161,977	77,278	Department of Environmental Protection	120,215	85,098	86,165
3,465	1,699	410	5,574	4,507	Department of Health and Senior Services	2,079	650	650
25,255	29,344	1,946	56,545	19,229	Department of Human Services	5,200	7,500	7,500
---	---	488	488	250	Department of Labor	---	---	---
42,224	24,102	3,962	70,288	32,128	Department of Law and Public Safety	14,107	7,828	7,828
14,370	9,606	30	24,006	10,270	Department of Military and Veterans' Affairs	6,954	1,779	1,779
---	---	230	230	230	Department of Personnel	---	---	---
19,108	10,346	-386	29,068	13,375	Department of State	7,541	---	---
703,900	355	641	704,896	701,965	Department of Transportation	715,490	745,000	745,000
11,015	16,184	-340	26,859	13,448	Department of the Treasury	1,100	---	5,500
---	2	---	2	---	Miscellaneous Commissions	---	---	---
960,325	224,575	-7,166	1,177,734	904,354	Total Executive Branch	894,843	851,155	857,722
Inter- Departmental Accounts								
227,743	101,353	-1,175	327,921	265,780	Capital Projects - Statewide	180,719	193,269	191,379
227,743	101,353	-1,175	327,921	265,780	Total Inter-Departmental Accounts	180,719	193,269	191,379
1,188,068	327,195	-8,341	1,506,922	1,170,999	Total Capital Construction	1,075,562	1,044,424	1,049,101
DEBT SERVICE								
Executive Branch								
121,481	---	---	121,481	121,470	Department of Environmental Protection	106,079	76,833	76,833
408,522	---	---	408,522	403,576	Department of the Treasury	387,808	417,015	417,015
530,003	---	---	530,003	525,046	Total Executive Branch	493,887	493,848	493,848
530,003	---	---	530,003	525,046	Total Debt Service	493,887	493,848	493,848
21,842,824	1,373,769	-111,811	23,104,782	21,279,359	GRAND TOTAL - STATE APPROPRIATIONS	23,319,589	23,945,829	23,663,167
13,123,347	1,287,537	-111,294	14,299,590	12,570,580	(From General Fund)	15,198,408	15,681,121	15,398,459
59,443	594	---	60,037	58,690	(From Casino Control Fund)	62,737	62,737	62,737
8,298,794	31,661	-517	8,329,938	8,240,146	(From Property Tax Relief Fund)	7,684,503	7,841,971	7,841,971
350,140	53,977	---	404,117	398,843	(From Casino Revenue Fund)	362,741	360,000	360,000
11,100	---	---	11,100	11,100	(From Gubernatorial Election Fund)	11,200	---	---

SUMMARIES OF APPROPRIATIONS

TABLE IV
SUMMARY OF APPROPRIATIONS BY CATEGORY OR PURPOSE
(thousands of dollars)

Table IV displays prior year expenditures, current year appropriations, and agency requests and executive recommendations for the coming years, aggregated by major spending category.

	2001 Expenditures	2002 Adjusted Appropriation	2003 Requested	2003 Recom- mended
General Fund--				
Direct State Services--				
Personal Services	2,370,146	2,421,613	2,530,134	2,529,560
Materials and Supplies	219,895	200,248	200,671	200,607
Services Other Than Personal	421,759	388,059	372,172	372,028
Maintenance and Fixed Charges	243,408	246,021	227,872	227,853
Improvements and Equipment	57,674	31,190	33,335	33,301
Employee Pension and Health Benefits	857,703	785,117	906,316	906,316
Human Services Programs	53,325	48,954	69,401	69,401
Other	670,515	729,070	741,096	740,069
<i>Total Direct State Services</i>	<u>4,894,425</u>	<u>4,850,272</u>	<u>5,080,997</u>	<u>5,079,135</u>
Grants-in-Aid--				
Employee Pension and Health Benefits	393,071	423,160	446,551	446,551
Rutgers, The State University	345,421	367,897	363,822	331,407
University of Medicine and Dentistry of New Jersey	141,381	208,446	211,622	189,825
New Jersey Institute of Technology	54,598	58,711	56,132	51,950
State Colleges	300,652	325,046	313,209	285,952
Other Higher Education Programs	46,806	107,183	123,649	93,763
Transit Subsidy	209,184	260,027	260,027	260,027
Student Aid-Scholarships and Grants	204,736	222,712	241,935	225,059
Support of Independent Higher Education Institutions	33,120	30,116	30,605	26,973
Correctional Facilities	115,254	80,105	89,435	89,435
Support of the Arts	21,460	32,045	28,000	28,000
Income Maintenance Management	195,293	275,258	311,754	311,754
Medicaid and Pharmaceutical Assistance to the Aged and Disabled	1,717,255	2,104,030	2,320,265	2,320,265
Youth and Family Services	277,154	306,412	260,800	260,800
Services for the Developmentally Disabled	309,893	353,184	392,826	392,826
Mental Health Services	226,379	234,224	228,944	228,944
Drug Abuse and AIDS Control	44,245	48,467	50,417	50,417
Other Human Service Programs	8,324	28,518	27,494	27,494
Other	573,938	608,013	561,840	432,578
Payments to Municipalities	---	10,000	---	---
<i>Total Grants-in-Aid</i>	<u>5,218,164</u>	<u>6,083,554</u>	<u>6,319,327</u>	<u>6,054,020</u>
State Aid--				
Educational	277,835	2,218,091	2,328,418	2,310,248
Welfare	194,196	173,274	186,415	186,415
Health	123,069	131,679	134,479	134,479
Payment to Counties and Municipalities	144,231	143,750	74,298	74,298
Other	13,051	28,339	15,452	15,452
Non State Funds	9,564	---	3,463	1,463
<i>Total State Aid</i>	<u>761,946</u>	<u>2,695,133</u>	<u>2,742,525</u>	<u>2,722,355</u>

SUMMARIES OF APPROPRIATIONS

	2001 Expenditures	2002 Adjusted Appropriation	2003 Requested	2003 Recom- mended
Capital Construction--				
Transportation	701,430	715,490	745,000	745,000
Environmental	77,248	120,215	85,098	86,165
Educational	1,970	2,930	400	400
Institutional	38,244	24,377	10,400	10,400
All Other	351,542	212,550	203,526	207,136
Non State Funds	565	---	---	---
Total Capital Construction	1,170,999	1,075,562	1,044,424	1,049,101
Debt Service--				
Principal	319,650	306,946	301,490	301,490
Interest	205,396	186,941	192,358	192,358
Total Debt Service	525,046	493,887	493,848	493,848
Total General Fund	12,570,580	15,198,408	15,681,121	15,398,459
Property Tax Relief Fund--				
Homestead Rebates	339,863	511,199	532,329	532,329
Direct School Tax Relief	296,961	727,428	679,142	679,142
Educational	6,607,975	5,342,720	5,511,588	5,511,588
Payments to Municipalities	995,347	1,103,156	1,118,912	1,118,912
Total Property Tax Relief Fund	8,240,146	7,684,503	7,841,971	7,841,971
Casino Control Fund - Direct State Services--				
Enforcement	34,855	35,799	35,799	35,799
Administration	23,835	26,938	26,938	26,938
Total Casino Control Fund - Direct State Services	58,690	62,737	62,737	62,737
Casino Revenue Fund--				
Programs for Senior Citizens and the Disabled	398,843	362,741	360,000	360,000
Total Casino Revenue Fund	398,843	362,741	360,000	360,000
Gubernatorial Elections Fund - Direct State Services--				
Public Financing of Gubernatorial General Election	11,100	11,200	---	---
Total Gubernatorial Elections Fund - Direct State Services	11,100	11,200	---	---
GRAND TOTAL STATE APPROPRIATIONS	21,279,359	23,319,589	23,945,829	23,663,167

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS BY STATEWIDE PROGRAM

(thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
GENERAL FUND								
Direct State Services								
10. Public Safety and Criminal Justice								
132,666	16,680	4,914	154,260	137,775	11. Vehicular Safety	129,962	156,774	156,774
241,175	23,036	14,055	278,266	268,581	12. Law Enforcement	271,605	262,691	262,691
6,184	5,245	908	12,337	10,772	13. Special Law Enforcement Activities	7,925	6,406	6,406
12,668	1,642	1,519	15,829	15,103	14. Military Services	15,415	13,339	13,339
423,962	8,365	24,425	456,752	436,591	15. Judicial Services	479,035	487,672	487,672
695,880	9,810	25,429	731,119	720,986	16. Detention and Rehabilitation	715,550	702,115	702,115
50,693	1,782	697	53,172	48,429	17. Parole	55,610	53,605	53,605
73,817	111	3,060	76,988	76,932	18. Juvenile Services	81,177	80,479	80,479
28,112	54	2,222	30,388	30,213	19. Central Planning, Direction and Management	34,018	40,687	40,687
1,665,157	66,725	77,229	1,809,111	1,745,382	Total Appropriation	1,790,297	1,803,768	1,803,768
20. Physical and Mental Health								
60,327	12,814	2,692	75,833	74,527	21. Health Services	70,059	100,224	100,224
6,443	4,887	-2,811	8,519	8,493	22. Health Planning and Evaluation	8,083	6,183	6,183
204,297	1,177	36,013	241,487	240,520	23. Mental Health Services	225,024	238,580	238,580
24,171	14,554	-1,841	36,884	31,435	24. Special Health Services	27,178	31,203	31,203
3,696	30	2,010	5,736	5,728	25. Health Administration	6,035	5,535	5,535
15,833	3,221	6,970	26,024	25,694	26. Senior Services	18,619	17,683	17,683
314,767	36,683	43,033	394,483	386,397	Total Appropriation	354,998	399,408	399,408
30. Educational, Cultural and Intellectual Development								
895	---	---	895	895	31. Direct Educational Services and Assistance	965	888	888
184,655	272	16,340	201,267	200,591	32. Operation and Support of Educational Institutions	207,535	220,420	220,420
7,847	1,283	-1	9,129	8,342	33. Supplemental Education and Training Programs	8,542	8,492	8,492
36,936	2,978	846	40,760	35,438	34. Educational Support Services	38,154	37,337	37,337
13,912	189	1,226	15,327	15,095	35. Education Administration and Management	15,011	14,030	14,030
4,406	42	354	4,802	4,712	36. Higher Educational Services	4,912	4,801	3,709
12,243	271	3,006	15,520	14,364	37. Cultural and Intellectual Development Services	16,925	18,335	17,565
260,894	5,035	21,771	287,700	279,437	Total Appropriation	292,044	304,303	302,441
40. Community Development and Environmental Management								
21,074	13,849	-2,735	32,188	30,993	41. Community Development Management	23,543	23,423	23,423
62,864	4,741	4,956	72,561	69,540	42. Natural Resource Management	68,007	66,092	66,092
20,343	8,219	-737	27,825	24,804	43. Science and Technical Programs	32,573	25,435	25,435
32,945	16,071	---	49,016	45,777	44. Site Remediation	34,642	34,782	34,782
48,746	3,110	484	52,340	49,562	45. Environmental Regulation	51,689	49,722	49,722
17,950	289	3,171	21,410	20,791	46. Environmental Planning and Administration	18,973	22,273	22,273
20,642	1,574	552	22,768	22,689	47. Compliance and Enforcement	22,327	21,931	21,931
10,395	2,062	399	12,856	12,273	49. Agricultural Resources, Planning, and Regulation	11,392	10,731	10,731
234,959	49,915	6,090	290,964	276,429	Total Appropriation	263,146	254,389	254,389

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
22,435	75	1,148	23,658	23,603	50. Economic Planning, Development and Security			
88,640	12,790	2,195	103,625	89,050	51. Economic Planning and Development	22,078	21,576	21,576
71,041	19,872	497	91,410	75,415	52. Economic Regulation	93,431	93,390	93,390
18,989	5,714	175	24,878	22,838	53. Economic Assistance and Security	53,288	73,443	73,443
43,492	7	14,599	58,098	58,090	54. Manpower and Employment Services	19,413	21,162	21,162
					55. Social Services Programs	68,682	69,877	69,877
244,597	38,458	18,614	301,669	268,996	Total Appropriation	256,892	279,448	279,448
110,508	4,719	6,855	122,082	119,421	60. Transportation Programs			
11,328	199	653	12,180	12,071	61. State and Local Highway Facilities	99,410	98,953	98,953
					64. Regulation and General Management	12,528	12,528	12,528
121,836	4,918	7,508	134,262	131,492	Total Appropriation	111,938	111,481	111,481
52,150	11,419	1,608	65,177	57,836	70. Government Direction, Management and Control			
22,601	31,623	-17,480	36,744	33,559	71. Legislative Activities	59,093	55,475	55,475
165,341	16,300	3,831	185,472	165,082	72. Governmental Review and Oversight	24,265	20,569	20,569
1,435,137	60,164	-109,183	1,386,118	1,272,190	73. Financial Administration	180,080	147,730	147,730
6,321	191	9	6,521	6,091	74. General Government Services	1,257,638	1,447,776	1,447,776
53,361	8,654	12,043	74,058	66,475	75. State Subsidies and Financial Aid	8,083	5,607	5,607
12,765	1,206	159	14,130	10,533	76. Management and Administration	61,466	50,374	50,374
					77. Legislative Commissions and Committees	13,287	14,744	14,744
1,747,676	129,557	-109,013	1,768,220	1,611,766	Total Appropriation	1,603,912	1,742,275	1,742,275
112,232	93,667	3,176	209,075	139,006	80. Special Government Services			
52,264	1,564	2,084	55,912	55,520	82. Protection of Citizens' Rights	120,423	130,452	130,452
					83. Services to Veterans	56,622	55,473	55,473
164,496	95,231	5,260	264,987	194,526	Total Appropriation	177,045	185,925	185,925
4,754,382	426,522	70,492	5,251,396	4,894,425	Total Direct State Services	4,850,272	5,080,997	5,079,135
1,265	3,500	---	4,765	1,265	Grants-in-Aid			
18,000	---	151	18,151	6,822	10. Public Safety and Criminal Justice			
35	---	6,000	6,035	6,035	12. Law Enforcement	4,732	1,565	1,565
---	---	---	---	---	13. Special Law Enforcement Activities	6,000	---	---
165,040	7,810	---	172,850	115,254	14. Military Services	35	35	35
18,018	---	---	18,018	18,018	15. Judicial Services	90	---	---
					16. Detention and Rehabilitation	90,105	89,435	89,435
202,358	11,310	6,151	219,819	147,394	18. Juvenile Services	19,033	18,257	18,257
					Total Appropriation	119,995	109,292	109,292
66,953	5,568	705	73,226	66,851	20. Physical and Mental Health			
95,136	99	---	95,235	95,235	21. Health Services	71,831	96,634	96,634
234,679	478	-8,550	226,607	226,379	22. Health Planning and Evaluation	166,390	18,116	18,116
1,572,929	145,656	-94,283	1,624,302	1,502,981	23. Mental Health Services	252,424	245,944	245,944
588,834	9,242	3,838	601,914	289,170	24. Special Health Services	1,748,984	1,989,090	1,989,090
					26. Senior Services	455,647	407,857	407,857
2,558,531	161,043	-98,290	2,621,284	2,180,616	Total Appropriation	2,695,276	2,757,641	2,757,641

SUMMARIES OF APPROPRIATIONS

Orig. & (S) Supplemental	Year Ending June 30, 2001				Expended		Year Ending June 30, 2003		
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Available			2002 Adjusted Approp.	Requested	Recommended
335,159	888	-20,964	315,083	309,893		30. Educational, Cultural and Intellectual Development			
7,268	---	13	7,281	4,281		32. Operation and Support of Educational Institutions			
3,973	---	---	3,973	3,536	353,184	392,826	392,826		
1,197,383	13,332	-29,275	1,181,440	1,149,332		33. Supplemental Education and Training Programs			
27,641	1,401	-83	28,959	28,408	7,371	4,456	4,456		
					7,326	13,551	13,551		
					1,299,832	1,444,931	1,214,624		
					28,122	21,102	21,102		
1,571,424	15,621	-50,309	1,536,736	1,495,450		Total Appropriation			
					1,695,835	1,876,866	1,646,559		
45,045	14,084	4,971	64,100	58,506		40. Community Development and Environmental Management			
1,300	1,331	14,259	16,890	10,794		41. Community Development Management			
3,000	---	---	3,000	3,000	30,450	19,450	19,450		
86	---	---	86	86	4,075	500	500		
3,250	---	---	3,250	---	6,535	---	---		
350	---	---	350	342	---	---	---		
					---	---	---		
					---	---	---		
					---	---	---		
3,334	2,376	834	6,544	3,597	350	---	---		
					3,904	2,254	2,254		
56,365	17,791	20,064	94,220	76,325		Total Appropriation			
					45,314	22,204	22,204		
36,620	3,026	-146	39,500	30,686		50. Economic Planning, Development and Security			
15,000	---	---	15,000	2,000		51. Economic Planning and Development			
197,821	45,217	-6,463	236,575	195,293	41,114	36,662	36,662		
21,291	140	4,127	25,558	24,014	---	---	---		
314,256	6,207	8,457	328,920	307,483	275,258	311,754	311,754		
					30,624	31,279	31,279		
					323,279	272,315	272,315		
584,988	54,590	5,975	645,553	559,476		Total Appropriation			
					670,275	652,010	652,010		
209,097	---	---	209,097	209,097		60. Transportation Programs			
---	1,218	56	1,274	87		62. Public Transportation			
					260,027	260,027	260,027		
					---	---	---		
209,097	1,218	56	210,371	209,184		Total Appropriation			
					260,027	260,027	260,027		
300	---	---	300	---		70. Government Direction, Management and Control			
521,105	139	-22,262	498,982	490,893		72. Governmental Review and Oversight			
82,026	---	---	82,026	36,351	---	---	---		
9,043	8,000	-2,000	15,043	9,339	507,852	618,864	583,864		
					47,463	3,376	3,376		
					28,158	6,038	6,038		
612,474	8,139	-24,262	596,351	536,583		Total Appropriation			
					583,473	628,278	593,278		
12,000	---	---	12,000	12,000		80. Special Government Services			
1,199	118	-26	1,291	1,136		82. Protection of Citizens' Rights			
					12,000	12,000	12,000		
					1,359	1,009	1,009		
13,199	118	-26	13,291	13,136		Total Appropriation			
					13,359	13,009	13,009		
5,808,436	269,830	-140,641	5,937,625	5,218,164		Total Grants-in-Aid			
					6,083,554	6,319,327	6,054,020		

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending June 30, 2003		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recom- mended
State Aid							
10. Public Safety and Criminal Justice							
6,290	---	---	6,290	5,544	3,690	1,090	1,090
---	---	---	---	---	11,182	8,182	8,182
6,290	---	---	6,290	5,544	14,872	9,272	9,272
20. Physical and Mental Health							
27,399	---	---	27,399	27,394	33,005	33,005	33,005
87,171	457	3,000	90,628	90,628	91,710	94,510	94,510
5,052	2	---	5,054	5,047	6,964	6,964	6,964
119,622	459	3,000	123,081	123,069	131,679	134,479	134,479
30. Educational, Cultural and Intellectual Development							
102,858	650	-797	102,711	95,253	1,767,071	986,343	986,343
767	---	---	767	767	---	5,460	5,460
200	---	-200	---	---	249,567	1,115,456	1,115,456
163,950	---	---	163,950	163,004	176,549	190,985	178,985
19,812	---	---	19,812	19,811	18,612	27,745	19,575
287,587	650	-997	287,240	278,835	2,211,799	2,325,989	2,305,819
40. Community Development and Environmental Management							
17,471	43,825	-1,774	59,522	36,183	17,471	16,971	16,971
469	---	---	469	---	---	---	---
75	---	---	75	75	45	---	---
---	10	---	10	10	16,181	---	---
11,039	---	103	11,142	10,891	6,331	4,556	4,556
---	26	---	26	---	---	---	---
9,092	498	---	9,590	8,714	9,642	8,642	8,642
38,146	44,359	-1,671	80,834	55,873	49,670	30,169	30,169
50. Economic Planning, Development and Security							
227,364	67,899	-33,514	261,749	194,196	173,274	186,415	186,415
227,364	67,899	-33,514	261,749	194,196	173,274	186,415	186,415
60. Transportation Programs							
---	75	---	75	75	---	---	---
---	75	---	75	75	---	---	---
70. Government Direction, Management and Control							
163,449	150,548	378	314,375	104,354	113,839	56,201	56,201
163,449	150,548	378	314,375	104,354	113,839	56,201	56,201
842,458	263,990	-32,804	1,073,644	761,946	2,695,133	2,742,525	2,722,355

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending —June 30, 2003—			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
					Capital Construction			
					10. Public Safety and Criminal Justice			
---	233	641	874	565	11. Vehicular Safety	5,990	---	---
31,605	6,484	-16	38,073	19,128	12. Law Enforcement	5,847	6,000	6,000
5,070	4,907	-236	9,741	5,877	14. Military Services	2,136	779	779
14,198	6,595	5,163	25,956	4,131	16. Detention and Rehabilitation	400	---	---
10,619	17,618	3,740	31,977	12,993	18. Juvenile Services	8,260	1,828	1,828
18,503	33,397	-8,216	43,684	14,891	19. Central Planning, Direction and Management	18,777	2,900	2,900
79,995	69,234	1,076	150,305	57,585	Total Appropriation	41,410	11,507	11,507
					20. Physical and Mental Health			
1,660	1,699	---	3,359	2,399	21. Health Services	2,079	650	650
9,000	8,566	---	17,566	4,561	23. Mental Health Services	500	3,000	3,000
1,805	---	410	2,215	2,108	25. Health Administration	---	---	---
12,465	10,265	410	23,140	9,068	Total Appropriation	2,579	3,650	3,650
					30. Educational, Cultural and Intellectual Development			
10,371	7,354	-25	17,700	4,805	32. Operation and Support of Educational Institutions	3,080	400	400
---	---	---	---	---	33. Supplemental Education and Training Programs	---	1,200	1,200
2,590	1,927	275	4,792	1,612	35. Education Administration and Management	1,550	---	---
10,500	8,644	56	19,200	10,765	36. Higher Educational Services	6,500	---	---
8,376	1,382	-762	8,996	2,310	37. Cultural and Intellectual Development Services	1,041	---	---
31,837	19,307	-456	50,688	19,492	Total Appropriation	12,171	1,600	1,600
					40. Community Development and Environmental Management			
39,685	53,577	-11,751	81,511	23,849	42. Natural Resource Management	64,830	28,933	30,000
165	2	---	167	162	43. Science and Technical Programs	---	---	---
51,810	15,719	---	67,529	42,167	44. Site Remediation	46,290	47,390	47,390
6,241	515	---	6,756	5,460	45. Environmental Regulation	8,285	8,650	8,650
5,250	121	645	6,016	5,640	46. Environmental Planning and Administration	810	125	125
600	20,718	---	21,318	10,689	49. Agricultural Resources, Planning, and Regulation	50	---	---
103,751	90,652	-11,106	183,297	87,967	Total Appropriation	120,265	85,098	86,165
					50. Economic Planning, Development and Security			
---	---	654	654	416	51. Economic Planning and Development	---	---	---
---	---	150	150	120	52. Economic Regulation	---	---	---
---	---	804	804	536	Total Appropriation	---	---	---
					60. Transportation Programs			
701,400	122	---	701,522	701,400	61. State and Local Highway Facilities	709,500	745,000	745,000
2,500	---	---	2,500	---	64. Regulation and General Management	---	---	---
703,900	122	---	704,022	701,400	Total Appropriation	709,500	745,000	745,000

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending June 30, 2003		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recommended
70. Government Direction, Management and Control							
---	1,267	---	1,267	865	---	---	---
238,990	117,857	-1,281	355,566	279,472	181,819	193,269	196,879
7,830	13,792	1,946	23,568	10,221	3,000	3,300	3,300
246,820	132,916	665	380,401	290,558	184,819	196,569	200,179
80. Special Government Services							
9,300	4,699	266	14,265	4,393	4,818	1,000	1,000
9,300	4,699	266	14,265	4,393	4,818	1,000	1,000
1,188,068	327,195	-8,341	1,506,922	1,170,999	1,075,562	1,044,424	1,049,101
Debt Service							
40. Community Development and Environmental Management							
121,481	---	---	121,481	121,470	106,079	76,833	76,833
121,481	---	---	121,481	121,470	106,079	76,833	76,833
70. Government Direction, Management and Control							
408,522	---	---	408,522	403,576	387,808	417,015	417,015
408,522	---	---	408,522	403,576	387,808	417,015	417,015
530,003	---	---	530,003	525,046	493,887	493,848	493,848
13,123,347	1,287,537	-111,294	14,299,590	12,570,580	15,198,408	15,681,121	15,398,459
PROPERTY TAX RELIEF FUND							
Property Tax Relief Fund - Grants-in-Aid							
70. Government Direction, Management and Control							
682,388	---	---	682,388	636,824	1,238,627	1,211,471	1,211,471
682,388	---	---	682,388	636,824	1,238,627	1,211,471	1,211,471
682,388	---	---	682,388	636,824	1,238,627	1,211,471	1,211,471
Property Tax Relief Fund - State Aid							
30. Educational, Cultural and Intellectual Development							
5,280,539	28,110	-927	5,307,722	5,297,817	4,178,454	5,140,666	5,140,666
39,966	---	---	39,966	39,966	44,408	38,948	38,948
1,286,425	29	860	1,287,314	1,270,192	1,119,858	331,974	331,974
27,205	---	---	27,205	20,134	27,205	22,582	22,582
6,634,135	28,139	-67	6,662,207	6,628,109	5,369,925	5,534,170	5,534,170
40. Community Development and Environmental Management							
6,820	---	---	6,820	6,758	7,370	8,000	8,000
2,453	---	---	2,453	2,453	2,453	2,453	2,453
9,273	---	---	9,273	9,211	9,823	10,453	10,453

SUMMARIES OF APPROPRIATIONS

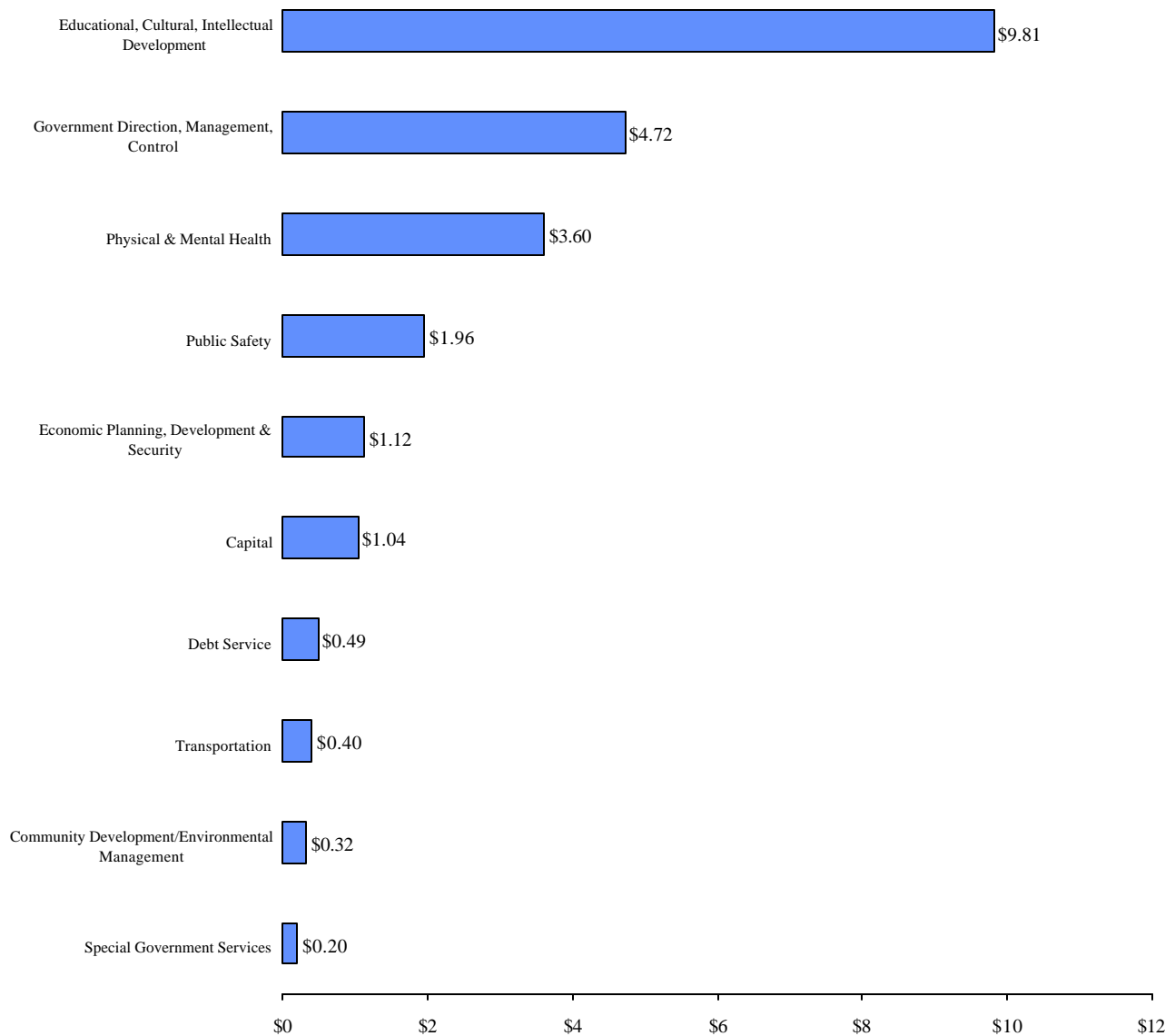
Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
972,998	3,522	-450	976,070	966,002	70. Government Direction, Management and Control			
972,998	3,522	-450	976,070	966,002	75. State Subsidies and Financial Aid	1,066,128	1,085,877	1,085,877
7,616,406	31,661	-517	7,647,550	7,603,322	Total Appropriation	1,066,128	1,085,877	1,085,877
8,298,794	31,661	-517	8,329,938	8,240,146	<i>Total Property Tax Relief Fund - State Aid</i>	<i>6,445,876</i>	<i>6,630,500</i>	<i>6,630,500</i>
					Total Property Tax Relief Fund	7,684,503	7,841,971	7,841,971
					CASINO CONTROL FUND			
					Casino Control Fund - Direct State Services			
					10. Public Safety and Criminal Justice			
35,201	209	---	35,410	34,855	12. Law Enforcement	35,799	35,799	35,799
35,201	209	---	35,410	34,855	Total Appropriation	35,799	35,799	35,799
					70. Government Direction, Management and Control			
24,242	385	---	24,627	23,835	73. Financial Administration	26,938	26,938	26,938
24,242	385	---	24,627	23,835	Total Appropriation	26,938	26,938	26,938
59,443	594	---	60,037	58,690	Total Casino Control Fund	62,737	62,737	62,737
					CASINO REVENUE FUND			
					Casino Revenue Fund - Direct State Services			
					20. Physical and Mental Health			
871	2	26	899	894	26. Senior Services	871	871	871
871	2	26	899	894	Total Appropriation	871	871	871
					80. Special Government Services			
92	---	---	92	90	82. Protection of Citizens' Rights	92	92	92
92	---	---	92	90	Total Appropriation	92	92	92
963	2	26	991	984	<i>Total Casino Revenue Fund - Direct State Services</i>	<i>963</i>	<i>963</i>	<i>963</i>
					Casino Revenue Fund - Grants-in-Aid			
					20. Physical and Mental Health			
500	---	---	500	498	21. Health Services	500	500	500
281,934	51,975	-26	333,883	328,632	26. Senior Services	310,648	307,794	307,794
282,434	51,975	-26	334,383	329,130	Total Appropriation	311,148	308,294	308,294
					30. Educational, Cultural and Intellectual Development			
19,635	---	---	19,635	19,621	32. Operation and Support of Educational Institutions	19,635	19,635	19,635
19,635	---	---	19,635	19,621	Total Appropriation	19,635	19,635	19,635

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
2,440	---	---	2,440	2,440	50. Economic Planning, Development and Security			
3,734	---	---	3,734	3,734	54. Manpower and Employment Services	2,440	2,440	2,440
					55. Social Services Programs	3,734	3,734	3,734
6,174	---	---	6,174	6,174	Total Appropriation	6,174	6,174	6,174
308,243	51,975	-26	360,192	354,925	Total Casino Revenue Fund - Grants-in-Aid	336,957	334,103	334,103
					Casino Revenue Fund - State Aid			
					60. Transportation Programs			
23,754	2,000	---	25,754	25,754	62. Public Transportation	24,821	24,934	24,934
23,754	2,000	---	25,754	25,754	Total Appropriation	24,821	24,934	24,934
					70. Government Direction, Management and Control			
17,180	---	---	17,180	17,180	75. State Subsidies and Financial Aid	---	---	---
17,180	---	---	17,180	17,180	Total Appropriation	---	---	---
40,934	2,000	---	42,934	42,934	Total Casino Revenue Fund - State Aid	24,821	24,934	24,934
350,140	53,977	---	404,117	398,843	Total Casino Revenue Fund	362,741	360,000	360,000
					GUBERNATORIAL ELECTIONS FUND			
					Gubernatorial Elections Fund - Direct State Services			
					10. Public Safety and Criminal Justice			
11,100	---	---	11,100	11,100	13. Special Law Enforcement Activities	11,200	---	---
11,100	---	---	11,100	11,100	Total Appropriation	11,200	---	---
11,100	---	---	11,100	11,100	Total Gubernatorial Elections Fund	11,200	---	---
21,842,824	1,373,769	-111,811	23,104,782	21,279,359	GRAND TOTAL STATE			
					APPROPRIATIONS	23,319,589	23,945,829	23,663,167

Fiscal 2003

Summary of Recommendations by Statewide Program (In Billions)



SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS BY DEPARTMENT DEDICATED FUNDS (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recommended
					Property Tax Relief Fund - Grants-in-Aid		
					Department of the Treasury		
345,699	---	---	345,699	339,863	511,199	532,329	532,329
336,689	---	---	336,689	296,961	727,428	679,142	679,142
682,388	---	---	682,388	636,824	1,238,627	1,211,471	1,211,471
					Total Department of the Treasury		
					Total Property Tax Relief Fund - Grants-in-Aid		
					1,238,627 1,211,471 1,211,471		
					Property Tax Relief Fund - State Aid		
					Department of Community Affairs		
876,595	1,950	-450	878,095	869,464	962,122	961,522	961,522
876,595	1,950	-450	878,095	869,464	962,122	961,522	961,522
					Total Department of Community Affairs		
					Department of Education		
4,148,011	28,110	-129	4,175,992	4,172,351	2,893,581	3,851,333	3,851,333
110,022	---	-865	109,157	102,893	108,363	112,823	112,823
59,250	---	---	59,250	59,250	65,578	65,578	65,578
192,906	---	---	192,906	192,906	199,512	199,512	199,512
770,350	---	67	770,417	770,417	911,420	911,420	911,420
39,966	---	---	39,966	39,966	44,408	38,948	38,948
15,000	29	---	15,029	10,728	13,545	23,855	23,855
302,338	---	239	302,577	301,804	303,787	303,587	303,587
161,022	---	621	161,643	161,391			
796,065	---	---	796,065	785,216	5,484	4,532	4,532
12,000	---	---	12,000	11,053	797,042	---	---
6,606,930	28,139	-67	6,635,002	6,607,975	5,342,720	5,511,588	5,511,588
					Total Department of Education		
					Department of Environmental Protection		
6,820	---	---	6,820	6,758	7,370	8,000	8,000
2,453	---	---	2,453	2,453	2,453	2,453	2,453
9,273	---	---	9,273	9,211	9,823	10,453	10,453
					Total Department of Environmental Protection		
					Department of the Treasury		
27,205	---	---	27,205	20,134	27,205	22,582	22,582
34,637	---	---	34,637	34,637	776	---	---
49,498	25	-1,913	47,610	46,173	81,378	95,719	95,719
12,268	1,547	1,913	15,728	15,728	21,852	28,636	28,636
123,608	1,572	---	125,180	116,672	131,211	146,937	146,937
					Total Department of the Treasury		
					Total Property Tax Relief Fund - State Aid		
					6,445,876 6,630,500 6,630,500		
					Total Property Tax Relief Fund		
					7,684,503 7,841,971 7,841,971		

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending —June 30, 2003—			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
					Casino Control Fund - Direct State Services			
					Department of Law and Public Safety			
35,201	209	---	35,410	34,855	Gaming Enforcement	35,799	35,799	35,799
<u>35,201</u>	<u>209</u>	<u>---</u>	<u>35,410</u>	<u>34,855</u>	<i>Total Department of Law and Public Safety</i>	<u>35,799</u>	<u>35,799</u>	<u>35,799</u>
					Department of the Treasury			
24,242	385	---	24,627	23,835	Administration of Casino Gambling	26,938	26,938	26,938
<u>24,242</u>	<u>385</u>	<u>---</u>	<u>24,627</u>	<u>23,835</u>	<i>Total Department of the Treasury</i>	<u>26,938</u>	<u>26,938</u>	<u>26,938</u>
59,443	594	---	60,037	58,690	Total Casino Control Fund	62,737	62,737	62,737
					Casino Revenue Fund - Direct State Services			
					Department of Health and Senior Services			
871	2	26	899	894	Programs for the Aged	871	871	871
<u>871</u>	<u>2</u>	<u>26</u>	<u>899</u>	<u>894</u>	<i>Total Department of Health and Senior Services</i>	<u>871</u>	<u>871</u>	<u>871</u>
					Department of Law and Public Safety			
92	---	---	92	90	Operation of State Professional Boards	92	92	92
<u>92</u>	<u>---</u>	<u>---</u>	<u>92</u>	<u>90</u>	<i>Total Department of Law and Public Safety</i>	<u>92</u>	<u>92</u>	<u>92</u>
963	2	26	991	984	Total Casino Revenue Fund - Direct State Services	963	963	963
					Casino Revenue Fund - Grants-in-Aid			
					Department of Health and Senior Services			
500	---	---	500	498	Family Health Services	500	500	500
3,946	---	---	3,946	2,297	Medical Services for the Aged	3,857	3,857	3,857
229,918	51,863	---	281,781	281,531	Pharmaceutical Assistance to the Aged and Disabled	257,928	255,074	255,074
34,669	---	---	34,669	32,784	Lifeline	34,669	34,669	34,669
13,401	112	-26	13,487	12,020	Programs for the Aged	14,194	14,194	14,194
<u>282,434</u>	<u>51,975</u>	<u>-26</u>	<u>334,383</u>	<u>329,130</u>	<i>Total Department of Health and Senior Services</i>	<u>311,148</u>	<u>308,294</u>	<u>308,294</u>
					Department of Human Services			
10,053	---	---	10,053	10,050	Purchased Residential Care	10,053	10,053	10,053
2,208	---	---	2,208	2,205	Social Supervision and Consultation	2,208	2,208	2,208
7,374	---	---	7,374	7,366	Adult Activities	7,374	7,374	7,374
3,734	---	---	3,734	3,734	Services to Children and Families	3,734	3,734	3,734
<u>23,369</u>	<u>---</u>	<u>---</u>	<u>23,369</u>	<u>23,355</u>	<i>Total Department of Human Services</i>	<u>23,369</u>	<u>23,369</u>	<u>23,369</u>
					Department of Labor			
2,440	---	---	2,440	2,440	Vocational Rehabilitation Services	2,440	2,440	2,440
<u>2,440</u>	<u>---</u>	<u>---</u>	<u>2,440</u>	<u>2,440</u>	<i>Total Department of Labor</i>	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>
308,243	51,975	-26	360,192	354,925	Total Casino Revenue Fund - Grants-in-Aid	336,957	334,103	334,103
					Casino Revenue Fund - State Aid			
					Department of Transportation			
23,754	2,000	---	25,754	25,754	Railroad and Bus Operations	24,821	24,934	24,934
<u>23,754</u>	<u>2,000</u>	<u>---</u>	<u>25,754</u>	<u>25,754</u>	<i>Total Department of Transportation</i>	<u>24,821</u>	<u>24,934</u>	<u>24,934</u>

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2001					Year Ending June 30, 2003		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recom- mended
17,180	---	---	17,180	17,180			
<i>17,180</i>	<i>---</i>	<i>---</i>	<i>17,180</i>	<i>17,180</i>			
40,934	2,000	---	42,934	42,934			
350,140	53,977	---	404,117	398,843			
					Gubernatorial Elections Fund - Direct State Services		
11,100	---	---	11,100	11,100			
<i>11,100</i>	<i>---</i>	<i>---</i>	<i>11,100</i>	<i>11,100</i>			
11,100	---	---	11,100	11,100			
8,719,477	86,232	-517	8,805,192	8,708,779			
					Department of the Treasury		
					Reimbursement of Senior/Disabled Citizens' and Veterans' Tax Exemptions		
					---	---	---
					<i>Total Department of the Treasury</i>		
					---	---	---
					Total Casino Revenue Fund - State Aid		
					24,821	24,934	24,934
					Total Casino Revenue Fund		
					362,741	360,000	360,000
					Department of Law and Public Safety		
					Election Law Enforcement		
					11,200	---	---
					<i>Total Department of Law and Public Safety</i>		
					11,200	---	---
					Total Gubernatorial Elections Fund		
					11,200	---	---
					Total Appropriation		
					8,121,181	8,264,708	8,264,708

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

This table summarizes the major increases and decreases in the fiscal 2003 Budget, defined as a change of \$2 million or more. Information is organized by category.

Categories of appropriations are defined as follows:

State Operations consists of programs and services operated directly by the State government. The largest single component is for the salary and benefits of State employees. This portion of the budget is subject to the spending limitations imposed by the Cap Law.

Grants-in-Aid appropriations are for programs and services provided to the public on behalf of the State by a third party provider, or grants made directly to individuals based on assorted program eligibility criteria. The Medicaid program, the Tuition Assistance Grant Program, Homestead Rebates, payments for State inmates housed in county jails, public transportation aid, and funding for State Colleges and Universities fall into this category.

State Aid consists of payments to or on behalf of counties, municipalities, and school districts to assist them in carrying out their local responsibilities. In addition to School aid, this category of expenditure includes the Consolidated Municipal Property Tax Relief program; the Municipal Block Grant program, and other forms of municipal aid. It also includes funding for county colleges, local public assistance and county psychiatric hospital costs.

Debt Service payments represent the interest and principal on capital projects funded through the sale of general obligation bonds.

Capital Construction represents pay-as-you-go allocations for construction and other infrastructure items.

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	Increases	Decreases	Net Change
State Operations			
Contractual Salary Increases	\$ 113.2		
Employer Taxes	59.8		
Employee Benefits	59.0		
Debt Service on Pension Bonds	33.1		
Human Services Staffing	27.1		
Enhanced Inspection & Maintenance	26.0		
Medical Emergency Disaster Preparedness for Bioterrorism	25.0		
Establish the Department of the Public Advocate	10.0		
Human Services Technology	10.0		
Expansion of Cancer Initiatives	8.0		
Establish the Office of Counter-Terrorism	6.9		
State Police Forensic Laboratory Equipment	5.4		
Drug Court Programs	5.2		
Digitized Drivers' License	5.0		
Insurance Verification	4.0		
NJ Environmental Management System	3.8		
State Police Technology Enhancements	3.5		
Nanotechnology and Other Technologies	3.0		
Increased Juror Fee	2.0		
Route 29 Tunnel	1.9		
Other (Net)	30.3		
Subtotal State Operations Increases	\$ 442.2		

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Pensions/Post Retirement Medical (PRM)		(30.8)	
FY 2002 Annualized Attrition		(14.1)	
Domestic Security Preparedness		(14.0)	
Central Rent		(12.0)	
State Police Rural Patrol Reduction		(11.7)	
Gubernatorial Election Fund - Public Financing Program		(11.2)	
Property Assessment Management System (PAMS)		(8.5)	
Institutional Inmate Population Decline - Institutional Impact		(8.3)	
Tax Amnesty Administration Costs		(7.0)	
New Car Waiver		(6.8)	
Automated Parole and Case Tracking System		(4.9)	
State Police Recruit Training		(4.7)	
Local Government Budget Review		(4.0)	
Statewide 911 Emergency Telephone System		(3.9)	
Environmental Testing Laboratory		(3.0)	
Enterprise License Agreement		(3.0)	
Corrections Overtime Reduction Initiative		(2.7)	
Action Now Projects - Safe Drinking Water Fund		(2.5)	
Commerce Business Marketing Campaign		(2.0)	
Equipment Reductions		(1.2)	
Other (Net)		<u>(84.0)</u>	
Subtotal State Operations Decreases		\$ (240.3)	
Net Change (State Operations)			<u>\$ 201.9</u>
Grants-in-Aid			
Medicaid Mandatory Growth	187.7		
Nursing Homes and Alternatives	72.2		
Pharmaceutical Assistance for the Aged & Disabled (PAAD) / Senior Gold Growth	60.5		
FamilyCare	48.1		
Welfare Growth Offset with Revenue	36.5		
Solid Waste Management Offset with Revenue	36.2		
Higher Education Health Benefits and Employer Taxes	29.3		
Community Providers Cost of Living Adjustment	29.2		
Cancer Institute of New Jersey	28.0		
Division of Youth and Family Services - Grants	24.5		
Federal Reallocation for DHS Institutional Certification	20.3		
DHS Abbott Preschool Growth	20.0		
Homestead Rebates	13.7		
Equipment Leasing Fund- Debt Service	10.7		
Governor's Literacy Initiative	10.0		
Senior and Disabled Citizens' Property Tax Freeze	7.4		
Community Services Waiting List Initiative	5.7		
Institutional Inmate Decline - County and Community Programs	5.1		
Home Assistance Growth	4.5		
Higher Education Capital Improvement Program--Debt Service	4.4		
Tuition Aid Grants (TAG)	2.3		
Family Development Homeless Prevention Initiative	2.0		
Other (Net)	<u>34.9</u>		
Subtotal Grants-in-Aid Increases	\$ 693.2		

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Unemployment Insurance Diversion Savings		(180.3)	
Pharmaceutical Assistance to the Aged & Disabled (PAAD) Federal Waiver		(147.8)	
Senior Public Colleges and Universities		(64.3)	
NJ SAVER		(48.3)	
Community Affairs Non-recurring Grants		(38.1)	
Essex / Mercer County		(28.7)	
Housing Mortgage Finance Support for Lifeline		(25.0)	
Treasury Non-recurring Grants		(17.2)	
Hospital Rate Increase		(15.0)	
Excellence in High Technology Workforce		(15.0)	
Spousal Impoverishment		(12.2)	
Health Non-recurring Grants		(10.6)	
Physician Fee Increase		(8.8)	
Teacher Preparation and Recruitment		(8.7)	
Clean Water Initiatives		(6.0)	
Sports and Exposition Authority Operations		(6.0)	
Supplemental for Horse Racing Industry		(6.0)	
Biomedical and Other Technology Research		(5.0)	
Physician Reimbursement for ER Services		(5.0)	
Cathedral Health System, Newark		(5.0)	
Specialized Incubators Program		(4.8)	
Increase in Medicaid Reimbursement to Offset Expense		(4.5)	
Brownfields Redevelopment Grants		(4.0)	
Historic and Arts Grants		(4.0)	
Technology Transfer Program		(4.0)	
Fairleigh Dickinson University Distance Learning		(3.9)	
State Non-recurring Grants		(3.6)	
Human Services Non-recurring Grants		(3.4)	
Environmental Protection Non-recurring Grants		(3.2)	
Apprenticeship Program		(3.0)	
Municipal Mobile Video Program		(2.9)	
Outpatient Hospital Ambulatory Payment Groups (APGs)		(2.6)	
Incentive Grant Fund		(2.5)	
Downtown Living Initiative		(2.0)	
Other (Net)		(29.4)	
<i>Subtotal Grants-in-Aid Decreases</i>		\$ (730.8)	
<i>Net Change (Grants-in-Aid)</i>			\$ (37.6)

State Aid

Abbott Preschool Expansion	142.4
Teachers' Post-retirement Medical, Debt Service, and Social Security	71.9
CEIFA / Supplemental Programs - Education	37.6
State Reimbursement for Veterans' Property Tax Exemptions	16.7
Special Municipal Aid	13.8
Charter Schools / School Choice	10.3
Pension Contributions on Behalf of Local Government	9.5
General Assistance Cost Increases	6.5

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Extraordinary Aid	5.0		
Teacher Mentoring	4.5		
County Psychiatric Hospitals	2.8		
County College Fringe Benefits and PRM	2.4		
Other (Net)	2.8		
<i>Subtotal State Aid Increases</i>	<u>\$ 326.2</u>		
School Construction and Renovation		(37.4)	
Regional Efficiency Aid Program (REAP)		(11.0)	
Regional Efficiency Development Incentive (REDI)		(5.0)	
County College Capital Projects (Chapter 12) Debt Service		(4.6)	
Watershed Moratorium Offset Aid		(3.4)	
Voting Machine Replacement		(3.0)	
Safe and Secure Neighborhoods		(2.6)	
Others (Net)		<u>(53.4)</u>	
<i>Subtotal State Aid Decreases</i>		<u>\$ (120.4)</u>	
<i>Net Change (State Aid)</i>			<u><u>\$ 205.8</u></u>
Capital Construction			
Transportation Trust Constitutionally Dedicated Growth	60.0		
Building Authority Debt Service - State Police Emergency Operations Center and Other Projects	22.9		
State Police Technology Projects	6.0		
OIT Availability and Recovery Site	5.5		
New State Police Training Facility	5.0		
Statewide Facility Security Projects	4.2		
DHS Automated Child Welfare System	<u>3.3</u>		
<i>Subtotal Capital Construction Increases</i>	<u>\$ 106.9</u>		
Transportation Trust Toll Road Contributions		(24.5)	
Parks and Other DEP Projects		(21.1)	
State Complex Facilities Projects		(17.9)	
Corrections Projects		(16.3)	
State Police and Juvenile Justice Commission Projects		(12.3)	
Dam Repairs		(11.7)	
Rutgers Projects		(6.5)	
DMV Inspection Station and Customer Service Improvements		(6.0)	
Vineland Veterans' Home and Other Projects		(4.2)	
Battleship New Jersey		(3.5)	
Other (Net)		<u>(9.4)</u>	
<i>Subtotal Capital Construction Decreases</i>		<u>\$ (133.4)</u>	
<i>Net Change (Capital Construction)</i>			<u><u>\$ (26.5)</u></u>
Debt Service			<u><u>\$ -</u></u>
GRAND TOTALS	<u><u>\$ 1,568.5</u></u>	<u><u>\$ (1,224.9)</u></u>	<u><u>\$ 343.6</u></u>

SUMMARIES OF APPROPRIATIONS

OFFICE OF MANAGEMENT AND BUDGET PAID FULL-TIME EMPLOYEE vs FULL-TIME TARGET COMPARISON

	State			All Other			Total		
	EMPLOYEES	FY 2003		EMPLOYEES	FY 2003		EMPLOYEES	FY 2003	
	12/01/00 (PP #25)	01/25/02 (PP #03)	FUNDED POSITIONS	12/01/00 (PP #25)	01/25/02 (PP #03)	FUNDED POSITIONS	12/01/00 (PP #25)	01/25/02 (PP #03)	FUNDED POSITIONS
AGRICULTURE	164	169	179	92	89	88	256	258	267
BANKING AND INSURANCE	103	106	102	396	407	458	499	513	560
CHIEF EXECUTIVE OFFICE	122	152	121	---	---	---	122	152	121
COMMUNITY AFFAIRS	242	258	267	834	848	855	1,076	1,106	1,122
CORRECTIONS (Balance)	8,518	8,998	8,967	468	450	485	8,986	9,448	9,452
- Parole Board	679	713	802	---	---	---	679	713	802
EDUCATION	429	492	491	477	510	583	906	1,002	1,074
ENVIRONMENTAL PROTECTION	2,265	2,405	2,478	1,042	1,033	1,070	3,307	3,438	3,548
HEALTH AND SENIOR SERVICES	781	943	942	1,241	1,211	1,371	2,022	2,154	2,313
HUMAN SERVICES (Total)	12,592	13,459	13,797	5,425	5,664	5,831	18,017	19,123	19,628
- Management and Budget	307	318	318	143	149	145	450	467	463
- Medical Assistance	189	197	169	398	419	435	587	616	604
- Family Development	237	240	235	201	208	214	438	448	449
- Commission for the Blind and Visually Impaired	183	182	179	94	96	95	277	278	274
- Youth and Family Services	2,647	2,910	3,076	667	702	677	3,314	3,612	3,753
- Deaf and Hard of Hearing	5	6	6	---	---	---	5	6	6
- Developmental Disabilities	4,488	4,794	4,902	3,886	4,056	4,229	8,374	8,850	9,131
- Mental Health and Hospitals	4,536	4,812	4,912	36	34	36	4,572	4,846	4,948
LABOR (Balance)	204	210	212	3,346	3,265	3,293	3,550	3,475	3,505
- Public Employee Relations Commission	38	35	41	---	---	---	38	35	41
LAW & PUBLIC SAFETY (Balance)	4,286	4,703	4,784	2,544	2,659	2,735	6,830	7,362	7,519
- Election Law Enforcement Commission	48	49	51	---	---	---	48	49	51
- Violent Crimes Compensation Board	47	48	52	---	---	---	47	48	52
- Executive Commission on Ethical Standards	6	9	9	---	---	---	6	9	9
- Juvenile Justice	1,107	1,203	1,182	414	428	465	1,521	1,631	1,647
MILITARY AND VETERANS' AFFAIRS	1,314	1,308	1,323	150	149	177	1,464	1,457	1,500
PERSONNEL	421	425	413	13	13	14	434	438	427
STATE (Balance)	133	141	144	67	62	61	200	203	205
- Commission on Higher Education	23	22	22	1	2	2	24	24	24
- New Jersey Network	115	120	120	39	40	40	154	160	160
- Higher Education Student Assistance Authority	31	29	27	165	183	195	196	212	222
TRANSPORTATION	4,176	4,172	4,287	1,264	1,268	1,286	5,440	5,440	5,573
TREASURY (Balance)	3,163	3,391	3,362	519	494	494	3,682	3,885	3,856
- Casino Control Commission	---	---	---	333	334	364	333	334	364
- Office of Administrative Law	101	110	115	10	10	11	111	120	126
- Office of Information Technology	---	---	---	1,016	1,043	1,022	1,016	1,043	1,022
- Public Defender	929	949	982	2	1	2	931	950	984
- Commission on Science and Technology	9	9	9	---	---	---	9	9	9
- Board of Public Utilities / Ratepayer Advocate	---	---	---	289	305	332	289	305	332
MISCELLANEOUS COMMISSIONS	2	2	2	---	---	---	2	2	2
SUBTOTAL EXECUTIVE BRANCH	42,048	44,630	45,283	20,147	20,468	21,234	62,195	65,098	66,517
LEGISLATURE	504	481	550	---	---	---	504	481	550
JUDICIARY (Administrative Office of the Courts)	1,463	1,549	1,625	261	261	272	1,724	1,810	1,897
STATEWIDE TOTAL (w/o Courts)	44,015	46,660	47,458	20,408	20,729	21,506	64,423	67,389	68,964
JUDICIARY (County Courts)	6,164	6,324	6,504	1,232	1,251	1,280	7,396	7,575	7,784
GRAND TOTAL	50,179	52,984	53,962	21,640	21,980	22,786	71,819	74,964	76,748
Less: Attrition Savings			(800)						(800)
Less: Unfunded Salary Program Need			(1,200)						(1,200)
Net Funded Positions for FY 2003			51,962						74,748

SUMMARIES OF APPROPRIATIONS

STATE AID FOR LOCAL SCHOOL DISTRICTS CONSOLIDATED SUMMARY GENERAL FUND AND PROPERTY TAX RELIEF FUND (thousands of dollars)

---Recommended Fiscal Year 2003---

	Expended Fiscal 2001	Adjusted Appropriation Fiscal 2002	Requested Fiscal 2003	General Fund	Property Tax Relief Fund	Total
Formula Aid Programs:						
Core Curriculum Standards Aid	2,942,595	3,080,318	3,080,318	890,866	2,189,452	3,080,318
Abbott v. Burke Parity Remedy	370,941	429,056	512,656	-	512,656	512,656
Supplemental Core Curriculum Standards Aid	209,621	251,768	251,768	-	251,768	251,768
Early Childhood Aid	313,226	330,630	330,630	-	330,630	330,630
Instructional Supplement	17,552	15,621	15,621	-	15,621	15,621
Demonstrably Effective Program Aid	192,906	199,512	199,512	-	199,512	199,512
Rewards and Recognition	10,008	9,957	9,957	-	9,957	9,957
Stabilization Aid	135,705	111,626	111,626	-	111,626	111,626
Stabilization Aid 2	5,070	2,491	2,491	-	2,491	2,491
Stabilization Aid 3	-	11,402	11,402	-	11,402	11,402
Additional Supplemental Stabilization Aid:						
Large Efficient Districts	4,500	5,250	5,250	-	5,250	5,250
High Senior Citizen Concentrations	1,850	1,231	1,231	-	1,231	1,231
Regionalization Incentive Aid	17,612	18,295	18,295	-	18,295	18,295
Categorical Aids:						
Distance Learning Network	56,820	59,162	59,162	-	59,162	59,162
Adult Education Grants	26,654	28,721	28,721	-	28,721	28,721
Bilingual Education	59,250	65,578	65,578	-	65,578	65,578
Special Education	760,350	896,420	896,420	-	896,420	896,420
County Vocational Education	35,273	38,948	38,948	-	38,948	38,948
Pupil Transportation Aid	301,777	303,187	303,187	-	303,187	303,187
School Choice	1,009	1,945	3,755	-	3,755	3,755
Aid for Enrollment Adjustments	34,558	16,456	16,456	-	16,456	16,456
Less:						
Stabilization Aid Growth Limitation	(68,073)	(73,576)	(73,576)	-	(73,576)	(73,576)
Subtotal, Net T&E Budget	5,429,204	5,803,998	5,889,408	890,866	4,998,542	5,889,408
School Construction and Renovation Fund	65,525	81,993	44,600	44,600	-	44,600
Debt Service Aid	154,933	140,873	137,858	137,858	-	137,858
Subtotal, School Building Aid	220,458	222,866	182,458	182,458	-	182,458
TOTAL FORMULA AID	5,649,662	6,026,864	6,071,866	1,073,324	4,998,542	6,071,866

SUMMARIES OF APPROPRIATIONS

STATE AID FOR LOCAL SCHOOL DISTRICTS CONSOLIDATED SUMMARY GENERAL FUND AND PROPERTY TAX RELIEF FUND (thousands of dollars)

---Recommended Fiscal Year 2003---

	Expended Fiscal 2001	Adjusted Appropriation Fiscal 2002	Requested Fiscal 2003	General Fund	Property Tax Relief Fund	Total
Other Aid to Education:						
Nonpublic School Aid	86,543	97,043	92,899	92,899	-	92,899
Whole School Reform Incentive Grants	11,053	-	-	-	-	-
Additional Abbott v. Burke State Aid*	177,682	348,674	305,674	-	305,674	305,674
Abbott Preschool Expansion Aid	-	-	142,400	-	142,400	142,400
Payment for Children with Unknown District of Residence	13,529	13,610	13,610	-	13,610	13,610
Extraordinary Special Education Costs Aid	10,067	15,000	15,000	-	15,000	15,000
County Special Services Tuition Stabilization	433	250	-	-	-	-
General Vocational Aid	5,460	5,460	5,460	5,460	-	5,460
Additional School Building Aid (Debt Service)	6,458	5,484	4,532	-	4,532	4,532
Educational Information & Resource Center	400	450	-	-	-	-
Charter School Aid	5,020	6,000	14,500	-	14,500	14,500
Charter Schools - Council on Local Mandates Decision Offset Aid	4,699	5,600	5,600	-	5,600	5,600
Character Education	4,735	4,750	4,750	-	4,750	4,750
Teacher Quality Mentoring	1,135	2,000	6,460	-	6,460	6,460
Other Aid	7,428	4,430	3,098	2,578	520	3,098
Subtotal, Other Aid to Education	334,642	508,751	613,983	100,937	513,046	613,983
Subtotal, Department of Education	5,984,304	6,535,615	6,685,849	1,174,261	5,511,588	6,685,849
Direct State Payments for Education:						
Teachers' Pension Assistance	174,562	244,464	275,800	275,800	-	275,800
Debt Service on Pension Obligation Bonds	69,545	72,665	76,899	76,899	-	76,899
Pension and Annuity Assistance - Other	30,829	36,029	48,349	48,349	-	48,349
Teachers' Social Security Assistance	510,280	552,578	576,550	576,550	-	576,550
TOTAL	6,769,520	7,441,351	7,663,447	2,151,859	5,511,588	7,663,447

* The recommended fiscal 2003 appropriation for Additional Abbott v. Burke State Aid will be adjusted downwards or upwards, as necessary, to fulfill the responsibilities of the Commissioner under the Abbott order.