



STATE OF NEW JERSEY
OFFICE OF THE GOVERNOR
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RICHARD J. CODEY
ACTING GOVERNOR

FISCAL YEAR 2006 BUDGET
OF
RICHARD J. CODEY
ACTING GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE SECOND ANNUAL SESSION
OF THE TWO HUNDRED AND ELEVENTH LEGISLATURE

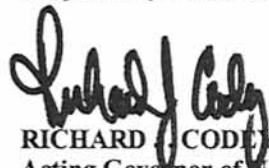
Mr. President, Mr. Speaker, Members of the Legislature:

In accordance with the provisions of C.52:27B-20, I hereby submit my budget recommendations for fiscal year 2005 - 2006.

This document provides a summary of my recommendations, and outlines the key aspects of my overall financial plan for the governmental services to be provided by the State to the Citizens of New Jersey.

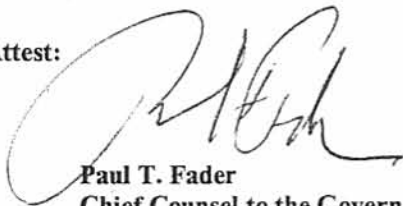
The budget detail, including information on specific line items of appropriations, will be submitted to the Legislature separately and will be available within ten working days of this date.

Respectfully submitted,



RICHARD J. CODEY
Acting Governor of New Jersey

Attest:



Paul T. Fader
Chief Counsel to the Governor

March 1, 2005

Fiscal 2006

**BUDGET
IN
BRIEF**



Richard J. Codey, Acting Governor

**John E. McCormac, CPA
State Treasurer**

**Charlene M. Holzbaaur
Director**

**Robert L. Peden
Deputy Director**

**Gary J. Brune
Associate Director**

**Jacki L. Stevens
Assistant Director**

Office of Management and Budget

March 1, 2005



BUDGET HIGHLIGHTS

OVERVIEW

Acting Governor Codey's \$27.4 billion proposed Fiscal 2006 Budget is an honest and responsible budget that has State government living within its means and meets the challenge of reining in government spending while at the same time not recommending any increase in the sales tax or income tax rates. Despite nearly a billion dollars in increases for mandatory entitlements, the proposed budget is \$614 million, or 2.2%, *below* the \$28 billion budget enacted in fiscal 2005. In contrast, the Fiscal 2005 Budget actually *increased* spending by 17% from the year before. In fact, the reduction proposed for fiscal 2006 is the largest spending cut in State history, both on a percentage basis and in its amount.

Regardless of how the comparison is made, the level of cost restraint in this Budget is truly historic. For instance, when the fiscal 2006 appropriation is compared to the *adjusted* appropriation for fiscal 2005, it is nearly \$1 billion or 3.5% less. From a dollar standpoint, this drop is approximately three times larger than its nearest predecessor.

Some of the major highlights of the proposed budget include:

- \$614 million reduction in spending is the largest reduction in history;
- 2.2% decline in appropriations is *four times larger* than the next closest year (.58%);
- Spending cuts exceed revenue increases by a five to one margin;
- Out-of-state travel has been prohibited;
- Number of State employees will be reduced by at least 500;
- The budgets of each Cabinet officer and the Governor's Office will be reduced by 10%;
- No borrowing to cover operating costs;
- Use of one-time revenue is reduced by 70%, and
- Ethics laws are strengthened to increase accountability.

Besides being honest, this budget is tough and gimmick-free.

This budget proposal makes great strides towards eliminating the structural imbalance that has plagued the State budget for the past decade while ensuring the

continuity of fiscal support of programs and services that meet the critical needs of the State's most vulnerable citizens and millions of other New Jersey residents. The significant actions in the new budget serve to mitigate two key components which have exacerbated fiscal stress over the past decade, namely the habitual reliance on non-recurring budget actions and the annual increase in spending. This budget also addresses long term budget pressures by restraining growth in areas such as employee and retiree benefits and promoting fairness and equity in the State's sales tax structure.

Year after year, New Jersey's budget process has been defined by feverous efforts to offset non-recurring revenues and fund mandatory entitlement and benefit increases. The dwindling options for one-time revenues, combined with an unrelenting pace of entitlement growth, has left New Jersey with insufficient resources to reliably fund important and necessary needs such as property tax relief, assistance for higher education, support for social service programs and many other programs that are important to the citizens of New Jersey.

The proposed budget significantly reduces the reliance on non-recurring budget actions by 70% from \$2.86 billion in the current budget to \$891 million in fiscal 2006.

The Fiscal 2006 Budget provides for \$2.4 billion in actions to reduce spending. Nearly \$1.5 billion of these actions are actual cost reductions, including \$272 million of spending that was added by the Legislature. The remainder of the \$2.4 billion is comprised of reductions due to under-spending in the current year, shifts to other funding sources and elimination of non-recurring expenditures.

Finally, despite the reduction of entitlements and cuts in bureaucratic spending, the Acting Governor must meet the constitutional mandate for a balanced budget by proposing targeted actions that will improve New Jersey's recurring revenue base without resulting in a broad-based impact on the income tax or the sales tax rate. These actions to enhance revenues include \$500 million from asset sales and \$150 million from the VLT's and other actions with no direct impact on taxpayers. Only \$505 million of this amount represents increases in taxes paid by individuals and businesses.

This means that for every dollar of revenue increased, there have been nearly \$5 of spending reductions.

State support for school districts, municipalities, higher education and the majority of the safety-net programs for vulnerable citizens have generally been kept at the current level. Discretionary increases in the proposed budget are minimal and focus on areas such as enhancing the State’s mental health system, expanding programs for the developmentally disabled and increasing support for ethics, additional State troopers and government accountability.

The multi-billion dollar budget gap that the Acting Governor must close is composed of two components—replacing \$2.9 billion in non-recurring revenue and funding approximately \$1.4 billion in growing budget mandates. Additional growth in areas such as school aid, aid to higher education, public employee pensions and growth in social service programs increases the budget gap to approximately \$4 billion to \$5 billion. Despite an expectation of continued economic growth in the next year, the State’s recurring revenues are only expected to increase by approximately \$900 million. Total recurring revenues are expected to be approximately \$26.1 billion. Therefore, even if State spending remained flat in fiscal 2006 and the State maintained the \$28.4 billion anticipated appropriation level from the current year, the State would still have a gap of \$2.3 billion that would need to be offset by spending reductions or revenue increases.

The budget divide is increased by mandatory funding needs of approximately \$1.4 billion for areas such as:

- Medicaid (\$289 million);
- Health coverage, post retirement medical, and other fringe benefits and employer related taxes for current and retired State and public college employees, as well as employer taxes for active teachers and post retirement medical coverage for retired school district and local employees (\$281.3 million);
- Pensions for State and public college employees as well as local teachers and other school employees (\$122.4 million);
- Negotiated salary increases for State and college employees (\$157.9 million);
- Debt service for the State’s school construction program and the 1997 Pension Bond (\$97.3 million);
- Growth in welfare programs; and the annualization of obligations from the current year (\$36.8 million).

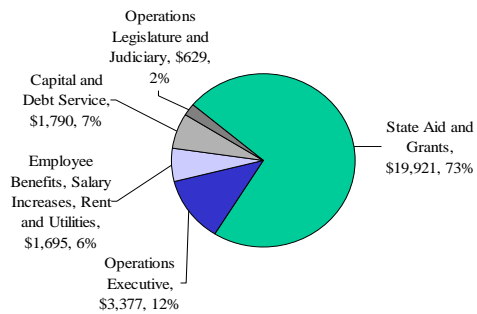
In addition, the State faces mandatory increases to comply with reform of the child welfare system and court mandated Abbott school funding responsibilities.

The budget gap grows wider when other spending demands, such as local school aid, municipal aid, operating support for higher education, expansion of community placements for developmentally disabled, and increases in State Police protection are recognized.

The challenge of balancing the State Budget is even more daunting upon a review of where budget revenue actually goes. The chart below indicates that nearly three-quarters of the money the State receives goes back out in State Aid to municipalities and school districts, direct property tax relief, health care and prescription drug coverage for seniors and the poor, support of higher education, and community programs for the disabled. Only 12% of the State’s spending is related to the operating budgets of the 16 State departments and the majority of this amount is spent on public safety (e.g., State Police, courts, and prisons), institutions for veterans, mentally ill and the developmentally disabled, highway maintenance, etc.

Where Does the Money Go – State Aid and Grants Represent 73% of Budget

(In Millions)



\$.73 cents of every dollar goes to Property Tax Relief and Grants in Aid

Reliance on Non-recurring Budget Actions Reduced by Approximately \$2 Billion

The use of non-recurring budget actions and financial “gimmicks” have been a staple of New Jersey budgets since the early 1990’s. For example, the State’s contribution to the various public employee pension systems was significantly reduced over time, culminating in the 1997 pension bond deal that allowed the State to temporarily skip pension payments and use this money to fund new and expanded programs. Now, the State is faced with the need to not only fund the

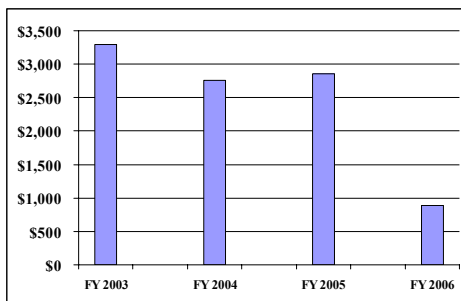
pension system but also to continue to fund the programs and enhancements that were created during this era.

As the stock market boomed in the late 1990's and early 2000, New Jersey policy-makers crafted budgets that boomed with it. With state income tax revenues reaching record levels, long term budget commitments, including new and expanded programs, were made with no expectation that the "good times" would end and revenues would recede. The bubble finally burst in fiscal 2002. State income tax collections actually fell by \$1.15 billion but the newly created programs remained intact. During this period, the State also began to rely on increased federal funds to support the State's obligation to nursing homes through accounting gimmicks that most officials knew would not continue into the future. More recent non-recurring budget actions include the accelerated use of the revenue the State was to receive from the national tobacco settlement and the securitization of motor vehicle fines and increased cigarette taxes to fund on-going state budget costs.

While non-recurring budget actions will always play some part in the State Budget; this spending plan takes a pivotal step in reducing the reliance on one-time revenues. As depicted in the chart below, the reliance on non-recurring budget actions is reduced from \$2.9 billion in the current year to only \$891 million in the proposed Fiscal 2006 Budget. As noted earlier, the proposed Budget reduces the reliance on non-recurring budget actions by 70%.

Nonrecurring Resources Down by 70%

(In Millions)



Based on planned revenue actions.

Controlling Growth in Entitlements

To understand the ongoing structural budget issues that the State faces, it is necessary to have a full appreciation of the extent of program entitlements and fixed costs. Whether through statutory or federal requirements, client increases resulting from normal population growth, or the powerful effects of inflation and market forces in areas such as healthcare and drugs, the State Budget assumes a large, ongoing commitment just to maintain the current level of service in programs such as Medicaid, Welfare, and Pharmaceutical Assistance for the Aged and Disabled (PAAD).

Controlling growth in entitlement programs can not occur overnight. Most of the actions proposed by the Acting Governor will result in limited short term benefits but will lead to significant benefits to taxpayers for a number of years. However, failure to start the process means that these benefits will never be realized.

Growth in certain entitlement programs such as Medicaid is driven by mandates from the federal government. The proposed budget provides \$3.6 billion for Medicaid and other health related programs for senior citizens and the poor. These programs, including PAAD, represent 13.1% of the State Budget and will increase by another 4.4% despite the implementation of program efficiencies.

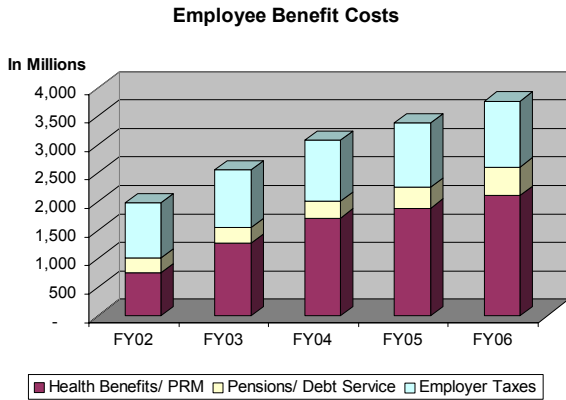
A good case study of rapid cost growth is Employee Benefits, which is described in detail below.

Employee Benefits

Within the State Budget, Employee Benefits is defined to include pensions, health benefits, post retirement medical costs, and employer payroll taxes. State appropriations support not only active and retired State employees, but also employees of senior public colleges and universities, school districts and certain local governments. Health benefits for active school district and local employees are not a State responsibility; however, under statute, the State funds the health insurance costs of retired teachers and certain public employees with 25 or more years of service prior to retirement. Even though the State does not negotiate teacher contracts, the State funds the cost of teacher federal social security taxes.

Due in part to the breadth of coverage provided, Employee Benefits has become one of the most intense growth areas in the State Budget. As depicted on the attached chart entitled "Employee Benefits-Actual and Projected Costs", the appropriation for these fixed costs grew by \$1.8 billion or 90% from approximately \$2

billion in fiscal 2002 to almost \$3.8 billion in fiscal 2006. Employee Benefits costs are projected to be 14% of the State's overall Fiscal 2006 Budget as compared to 8.8% just four years ago.



This growth has occurred despite recent initiatives to implement management efficiencies or use available balances. The most prominent of these were a five-year phase-in for pension contributions, utilization of assets from the Benefit Enhancement Fund (BEF) for the future costs of the “n/55” benefit, and the use of post retirement medical (PRM) reserve funds for current costs. In the area of health benefits, savings measures included an increase in co-pays for doctor’s visits/prescription drugs and the exclusion of new enrollees from the traditional health benefit plan. Similar to the pension situation, the State also reduced its health benefits appropriation by applying accumulated fund balances from the self-insured plans.

The fastest growing component has been health benefits for active and retired state employees and retired school district employees. In total, these costs to the State Budget comprise approximately \$2.1 billion (56%) of the projected \$3.8 billion in Employee Benefit expenses in fiscal 2006. This represents an increase of approximately \$220 million (11.8%) over the amount budgeted in fiscal 2005.

By statute, the State assumes all health benefit costs for eligible retired school district employees; payments for this group are expected to be nearly \$700 million for the next fiscal year or approximately 33% of the total \$2.1 billion appropriated for this purpose. The growth in health benefit costs is expected to continue unabated in fiscal 2006, rising an estimated 12% above the previous year, and that trend is expected to continue in the future due to significant increases in teacher retirements coupled with increasing health care outlays.

The cost of pensions for public employees is another area that must be brought under control. The 1997

pension bond deal and the meteoric growth in the stock market hid underlying problems with the State’s pension systems. The problems were exacerbated by benefit increases approved in the late 1990’s and early 2000’s. The day of reckoning for the pension system is now upon the State. The actions taken over the past three years – phasing in the obligation of the system and using reserves that will not be available in the future – only delayed the inevitable full impact of New Jersey’s pension obligations. The State Treasurer’s actions to diversify the investment of pension assets will serve to increase the annual return but will only offset a portion of the multi-billion obligation that the State faces within the next few years.

As part of his Fiscal 2006 Budget proposal, Acting Governor Codey has stated that he will not sign any increase in retiree benefits unless it is funded. A special task force will be appointed to look at the benefits of State and local public employees.

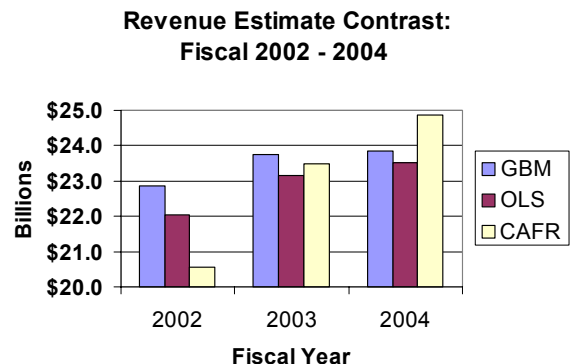
Reducing the Operating Cost of State Government

For the fourth year, the proposed budget reflects an overall decrease in the operating budgets of the 16 executive branch departments. Increases have been provided for the expansion of programs that will improve the integrity of government, the continued expansion of the Child Welfare Reform initiative, for additional State troopers and the replacement of trooper vehicles, and for the State’s veteran’s homes and the Department of Corrections.

Acting Governor Codey has prohibited all out-of-state travel, has directed each department and agency to evaluate the effectiveness of every program, and has directed that those programs that cannot demonstrate results be eliminated or consolidated. Through this evaluation and added scrutiny of employee levels in each department, the total number of State employees will shrink by at least 500.

Responsible Revenue Estimates

Since the Governor certifies the final revenue estimate in New Jersey, it is crucial that the results of that



process be rational, defensible, and as accurate as possible given the myriad of variables involved. From a historical perspective, the recent track record is clearly much improved. The attached chart entitled “Revenue Estimate Contrast: Fiscal 2002 – 2004,” compares the revenue projections published in the Governor’s Budget with that of the Office of Legislative Services (OLS) and the final audited revenues as represented in the Comprehensive Annual Financial Report (CAFR) over a three year period from fiscal 2002 to 2004. In fiscal 2002, prior to the change in Administrations, the estimate was \$836 million (4%) higher than that provided by OLS at a similar point in time, and was \$2.3 billion (11%) over the amount that was ultimately realized in the CAFR for that year. Of the latter, approximately \$2.1 billion, or over 90%, of the shortfall resided in Gross Income Tax collections, which were originally projected at \$8.9 billion but only materialized at \$6.8 billion, an unwelcome outcome that placed the State in a perilous fiscal position.

Contrast that approach with the past two fiscal years. The original revenue projection provided as part of the Fiscal 2003 Governor’s Budget of \$23.7 billion was ultimately proven to be within \$200 million of the final CAFR revenues for that year (\$23.5 billion), a variance of less than 1%. In the Fiscal 2004 Governor’s Budget, the total revenue estimate of \$23.9 billion proved to be conservative, as revenues materialized at a level \$1 billion higher than that. The original estimate was very close to what OLS projected at the time (\$23.5 billion), however. Most importantly, this considered approach avoided the mid-year fiscal crises that typified the overly-optimistic forecasts in the past.

For fiscal 2006, total revenues are anticipated to be \$27.4 billion, which is approximately \$91 million above the revised estimate for fiscal 2005, including new initiatives of \$1.3 billion. Base revenue for both the income and sales tax are projected to grow by 5.1%, a moderate pace that reflects an improved but reasoned outlook for payroll employment and economic activity.

Fiscal 2005 - Managing the Current Budget

Continuing the trend from last year, the fiscal 2005 budget is being managed without mid-year program reductions. Despite the fact that revenues are slightly below the original estimate at the time of the Appropriations Act and several supplemental appropriations are necessary, there are sufficient accounts with under-spending and a higher than expected opening balance to compensate for the revenue shortfall. Prudent revenue estimates and sound budgeting that has reduced the size of the supplemental

appropriations needed permit fiscal 2005 to close with a \$400 million surplus as originally expected.

Some of the larger supplemental appropriations projected for fiscal 2005 are summarized below.

- \$102 million – Education Opportunity Aid to Abbott school districts mandated by court decisions and based on final awards;
- \$28 million - Federal Community Care Waiver projected shortfall and a Federal IV-E disallowance;
- \$25 million – Employee contracts settled after July 1;
- \$15 million – State rental assistance;
- \$14 million – General Assistance cash assistance has increased beyond expectations over the prior months;
- \$13 million – Snow removal;
- \$9 million – Lottery advertising to enhance participation in the Lottery;
- \$10 million – State Police recruit class and radio upgrade.

Fiscal 2006 Budget

Acting Governor Codey’s proposed Fiscal 2006 Budget of \$27.4 billion represents a decrease of \$1.0 billion below the adjusted appropriation of \$28.4 billion.

The vast majority of the spending increases included in this budget are mandatory in nature. Very few discretionary spending increases are recommended. Some of the major spending increases include:

- \$289 million increase for Medicaid including long term care services;
- \$204 million for local teacher fringe costs including pensions, post retirement medical and social security taxes paid by the State;
- \$140 million for salary increases for State employees as a result of contractual obligations;
- \$102 million for State employee health benefits, including retirees;
- \$94 million for child welfare reform and other increases for the Office of Children Services (which includes DYFS);
- \$84 million for increased costs for school construction;
- \$64 million for Higher Education fringes and salary funding;
- \$59 million for Education Opportunity Aid for Abbott Districts and the expected Abbott Preschool enrollment increase;

- \$53 million to address the gap between federal TANF funds and ongoing welfare program commitments;
- \$36.8 million to meet rising costs for the General Assistance and Supplemental Security Income programs;
- \$26.8 million to increase funding for community mental health funding in the Department of Human Services;
- \$25 million increase for the senior/disabled property tax freeze program;
- \$23.4 million to expand and annualize prior year commitments for the Developmentally Disabled;
- \$20 million for State employee pension increases;
- \$9.5 million for Higher Education Tuition Aid Grants.

Some of the major spending reductions include:

- \$1.2 billion reduction to homestead rebates/SAVER based on program changes and under-spending of current year appropriations (\$140 million);
- \$272 million of legislative additions in the fiscal year 2005 Budget are not continued in fiscal year 2006;
- \$150 million reduction due to an increased diversion of Unemployment Insurance funding to offset the State's charity care costs;
- \$57.5 million offset to the Medicaid State's Nursing Home costs due to increased federal funds including the nursing home providers assessment, for which the State recently received federal approval. Besides providing budget relief, the nursing facilities will receive a net increase to their rates of \$44 million;
- \$57 million due to efficiencies in Medicaid and Pharmaceutical Assistance programs including better monitoring of outpatient hospital costs, a \$1 co-pay for prescription drugs and \$3 for other selected services in Medicaid, changing refill requirements and the frequency of drug manufacturer price updates.
- \$50 million for employee savings including a 10% reduction to the commissioners' offices and other administrative accounts;

On the revenue side, the \$27.4 billion budget is supported by base revenues totaling \$26.1 billion and revenue enhancements of \$1.3 billion. Of the \$1.3 billion approximately \$760 million will not impact

taxpayers. The most prominent revenue enhancements are summarized below:

Revenues Not Impacting Taxpayers:

- \$500 million expected to be realized as the State examines all of its assets to determine which are still useful and productive and which assets can be sold;
- \$150 million is estimated to be realized from the introduction of video lottery terminals;
- \$55 million will be realized from simplified sales tax/amnesty and fines amnesty proposals;
- \$50 million from reducing the revenue loss in the UEZ program attributable to the inappropriate use of the program;

Other Revenue Initiatives:

- \$275 million will be realized from modifying the State sales tax to provide a more equitable tax treatment of similar products and recognizing the erosion of the sales tax base due to the impact of technology and a movement to a service economy;
- \$130 million from eliminating the existing property tax deduction for those taxpayers with incomes above \$200,000 and from eliminating the exclusion for up to \$20,000 in retirement income for taxpayers with over \$100,000 in income;
- \$50 million will be generated from a 2% gross receipts tax on the cable industry which will be structured to achieve equality in consumer services offered by the telecommunications industry;
- \$25 million from a change in the Transfer Inheritance Tax structure;
- \$25 million from a proposed change in the Realty Transfer Tax.

In addition, fund balances are recommended for transfer to the General Fund. Key initiatives include:

- \$250 million from the Unemployment Insurance diversion to offset the cost of Charity Care and Medicaid, an increase of \$150 million compared to FY2005;
- \$14 million from the Supplemental Workforce Fund for Basic Skills to support remedial courses at the State's county colleges, an increase of \$6 million compared to FY2005;

- \$10.5 million from the remaining balance in the Tobacco Settlement Fund due to a legal settlement of claims with HIP-New York ;
- \$10 million from the Workforce Development Fund to provide ongoing job training services to welfare clients;

(See Revenue Forecast and Initiatives section for further details on revenue-related items.)

Fiscal Year 2006 Budget Compared to Fiscal Year 2005 Budget

When viewed by category of funding, the recommended Fiscal 2006 Budget is allocated as follows:

- \$20 billion (73.7%) is either State Aid (\$11.4 billion, 41.4%) or Grants (\$8.8 billion, 32.2%);
- Direct State Services (DSS) totals \$5.9 billion (21.6%). When adjusted for required increases such as the prisoner health contract, Child Welfare Reform, and enhanced ethics programs, the DSS recommendation for Executive Branch Departments (i.e., without Interdepartmental, Judiciary, and the Legislature) declines by approximately \$122 million or about 4.5%;
- State Aid increases by \$407 million (3.7%);
- Grants decrease by \$1.3 billion or 12.4% largely because of changes to the Homestead Rebate/SAVER program;
- General Obligation debt service decreases by \$256 million due to a refinancing initiative.

(See the Summary of Major Increases and Decreases in the Financial Summaries section for the full listing of the recommendations in the Fiscal 2006 Budget.)

ACTING GOVERNOR CODEY'S PRIORITIES

State Government Integrity

Ethics

The process of governing requires, above all, moral conduct and behavior. For State government to effectively exercise authority and leadership over public policy, and to preserve its legitimacy, it must uphold ethical standards at the highest possible level. This forms the basis of the simple compact that citizens have with their governing officials: that the most difficult decisions of the day are made honestly, impartially, and with the utmost integrity, and that the day-to-day business of government is above reproach.

To restore confidence in State government, the Acting Governor has proposed a multi-pronged initiative, as outlined below.

Office of the Inspector General

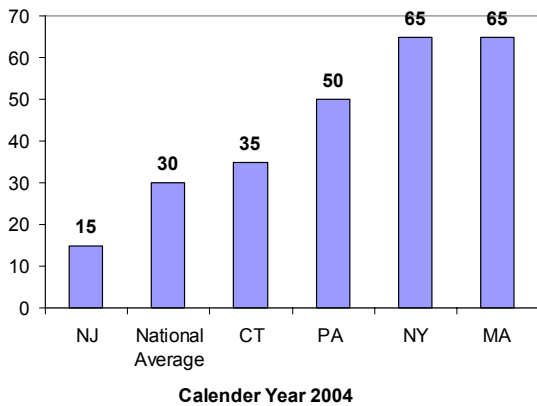
By signing Executive Order #7 to create the new Office of the Inspector General (IG), Acting Governor Codey established New Jersey as only the ninth State to have a statewide Inspector General position. The Fiscal 2006 Budget recommends an appropriation of \$2.5 million for this new office, supporting a staff of 18. In accordance with pending legislation, the IG will be appointed by the Acting Governor to a five-year term, effectively providing a degree of independence that is critical for this oversight function. Earlier this year, the Acting Governor appointed Mary Cooper, a former State Deputy Attorney General, to this position. As IG, Ms. Cooper and her staff will investigate contracts and spending practices at all levels of government, including school boards and independent authorities, centralizing the review of expenditures and procurements to prevent fraud, abuse, and mismanagement. The emphasis of procurements is particularly important, as that is often viewed as an area of concern. Finally, the IG will provide performance reviews to determine if programs are working effectively and will consider the promise of new technology as a means to improve operational efficiency.

Commission on Ethical Standards

A funding increase of \$450,000 is provided to the Commission on Ethical Standards, raising the Commission's budget by nearly 70%, from \$700,000 in the current year to over \$1.1 million in fiscal 2006. This represents the largest increase, and the largest total budget, in the history of the Commission. This additional funding will be used for training and audits.

Acting Governor Codey has appointed a Special Counsel for Ethics Reform who will perform a complete audit of the existing statutes, rules, and codes of conduct governing ethical behavior. Swift action is expected, as the results of this review will be summarized in a report to the Acting Governor within 120 days identifying specific compliance measures that should be implemented. The Counsel, which was created through Executive Order #3, will also work with the Commission to devise a new, mandatory ethics training program for employees of the Executive Branch and independent authorities. Heretofore, ethics rules required training for only 1,086 of these staff, or 1.5% of the total, and procurement officers were excluded from that requirement. As noted on the attached chart entitled "Ethics Training Sessions", this level of effort was out of step with the balance of the country, as on

Ethics Training Sessions



average New Jersey has offered far fewer annual training sessions than other states.

These measures are key to restoring public confidence in State government and removing the actual or perceived influence of money in politics.

State Commission on Investigation (SCI)

Securing the public trust requires a degree of vigilance and, most importantly, aggressive enforcement of existing guidelines on ethical behavior. In that regard, the Fiscal Year 2006 Budget provides an additional \$522,000 appropriation for the State Commission of Investigation (SCI), representing an increase of 11%. This increase raises the SCI's appropriation from the current \$4.4 million to \$4.9 million, the highest amount in the history of the Commission. The recommended increase will enable the Commission to expand its statutory mission to investigate and expose corruption, ethics irregularities, mismanagement and other forms of waste, fraud and abuse of taxpayers' dollars while also recommending new laws and remedies to protect the integrity of the governmental process in New Jersey.

Public Advocate

First and foremost, citizens with specific needs or problems must believe they can effectively connect to State government, and that their larger concerns are adequately represented as public policy decisions are made. As a major step in that direction, a new appropriation of \$2 million is recommended in the Fiscal 2006 Budget to re-establish the Department of the Public Advocate. Since the Department was abolished in Fiscal 1995, its various consumer protection, guardian and ratepayer advocate functions have been scattered throughout State government, diffusing its impact. Consistent with its original form in 1974, the Public Advocate will provide a cabinet-level presence

for consumers, children, the elderly, the poor, the mentally ill, and other "voiceless" citizens who often lack the influence to effectively press their case.

Specifically, the Public Advocate will investigate waste, mismanagement and inefficiencies that hinder services to these groups. Most importantly, it will mediate with other State departments on behalf of citizens, resolving disputes and troubleshooting problems involving government services. Though the Public Advocate will be empowered to legally compel other State agencies to bring about change, it will first seek to maximize cost effective techniques, such as alternative dispute resolution, which actually reduce or eliminate costly litigation.

In the past, the Public Advocate was credited with saving New Jersey consumers millions of dollars through its advocacy on utility and insurance rates and also prevailed in landmark cases that improved the environment, mental health services and housing.

Election Law Enforcement Commission (ELEC)

A supplemental appropriation of \$2 million was provided in August, 2004, to expand ELEC's Direct State Services budget from \$4.5 million to \$6.5 million, an increase of 44%. This appropriation will continue into fiscal 2006. This increase, which is the largest in the history of the Commission, will support a total of 36 new staff, nearly two thirds more than the 54 staff currently authorized. The Commission will use these new staff to help implement a series of new laws that were enacted in 2004 to improve election management and scrutinize campaign contributions and lobbying activities. The laws included the following:

- New prohibitions on campaign contributions from businesses actively involved with government contracts;
- Tightened standards on reporting requirements for campaign contributions;
- Required registration and reporting by professional campaign fund raisers;
- New Jersey Fair and Clean Elections Pilot Project;
- Increased monetary penalties for violating campaign contribution limits and reporting requirements;
- Extended financial disclosure requirements to lobbying conducted through ads and direct mail to the general public;
- Barred government officials from lobbying activities for one year after leaving office;
- Expanded definition of lobbyists to include those who influence government processes;

- Required ELEC to conduct random audits of records kept by legislative agents;
- Prohibited legislative agents from accepting contingency fees for influencing legislation.

Other Ethics Measures

- On December 6, 2004, Acting Governor Codey signed an Executive Order banning the State, including its departments, agencies, and independent authorities, from hiring bond underwriting firms that pay contingency fees to consultants.
- That measure was quickly followed with another on December 15, 2004, when the Acting Governor signed a bill to freeze campaign contribution limits to State and county political organizations and to leadership political action committees. Previously, campaign contribution limits were increased every four years by the Election Law Enforcement Commission based on a formula that measured the cost of campaigning. The new law eliminates that automatic adjustment and freezes contribution limits at their current level.
- The Acting Governor has also co-sponsored a bill that would enable localities and school boards to enact stronger pay to play bans.
- Acting Governor Codey supports an effort to codify into law former Governor McGreevey's Executive Order banning contributions from vendors that do business with State agencies.
- Most recently, on February 16, 2005 the Acting Governor called for an additional voting session for the Senate to consider legislation (A-1500/S-2052) authorizing a permanent ban on pay-to-play, essentially prohibiting campaign contributions by business entities seeking or holding State contracts in certain circumstances. This measure is a vital component of genuine ethics reform and is sorely needed.

Mental Health

Compassion, as well as the willingness to stand up for those who may not be able to stand up for themselves, are not only the foundation of government service; they are also the hallmarks of this Administration. Thus, despite severe budget constraints, it is with great care and concern that the Acting Governor seeks an additional \$40 million in the Fiscal 2006 Budget to recast the State's mental health system to provide services that are comprehensive, accessible, and consumer-driven.

Historically, the State's mental health services have churned in place, outside the limelight of other, more visible public programs. As a public issue, mental illness has resided at an unfortunate intersection: characteristically misunderstood, often unappreciated, and arguably under-funded, yet absolutely vital to the people it serves, many of whom are among our most vulnerable citizens.

And, along the way, subtle forces have exerted downward pressure on the quality of care. Population growth, economic stress, emergencies and military conflict have steadily increased the demand for mental health services, including community-based services, culturally-competent programs, hospital treatment, housing, and support programs. While the availability of services stagnated, inpatient treatment in local hospitals and the need for expanded community-based services increased significantly, thus straining an already fragile system of care.

The Acting Governor's new initiative is designed to ensure adequate and timely access to varied levels of care and to help patients advocate with regard to their benefits, housing and general rights. Emphasis will be placed on treatment, wellness, and recovery, as well as consumer and family-directed care. Instead of defaulting to an institutional setting, community-based alternatives will be thoroughly explored. To improve access to services, a central point of entry will be provided, and the availability of treatment experts who are culturally-competent, bilingual and capable of handling co-occurring disorders will become the norm, not the exception.

Most importantly, while some of our most vulnerable citizens need the care that the hospital system provides, the re-invigorated system will adopt the premise that the vast majority of patients can recover and participate in community life...where they can live, work, pay taxes and have meaningful relationships. The ultimate goal will be to re-integrate these patients by using the least restrictive setting possible.

Just over \$30 million (75%) of the \$40 million newly recommended for fiscal 2006 will be used by the Departments of Human Services, Health and Senior Services, Labor and Military and Veterans' Affairs to strengthen the State's mental health system, as detailed below:

Mental Health Programs:

- *Mental Health Screening Centers*
A total of approximately \$10 million in additional funding is recommended in fiscal

2006 to expand mental health screening centers by 50%. The Screening Centers, located in all 21 counties, serve as the gateway to services at every level, including outpatient counseling, case management, self-help centers and even inpatient hospitalization. This initiative will add approximately 160 new master's level clinicians for emergency screening, including mobile outreach teams and enhanced, on-call resources for off-peak shifts when wait times spike. Staff recruitment will specifically target bilingual clinicians based on the needs of specific communities and will provide an improved ability to assess and treat co-occurring disorders. Most importantly, enhanced screening will provide mental health services on a 24/7 basis for individuals in crisis who cannot wait for a regular appointment.

- *Self-Help Centers*

An increase of approximately \$2.1 million is recommended in fiscal 2006 to expand outreach and programming capabilities at the 27 Self-Help centers in New Jersey. These centers are a key resource in the move toward a more consumer and family-centered approach to successful treatment and recovery. The new funds will be used to expand specialized therapies such as music, art and recreation, and for capital improvements to program facilities.

- *Post Traumatic Stress Disorder*

Based on prior military conflicts, approximately 15 to 25% of the returning veterans and their families will experience some form of Post Traumatic Stress Disorder. Currently, 250 veterans are waiting for counseling services. A total of approximately \$.5 million in new funding would help clear the existing waiting list and provide services for returning military personnel and their families and for those who have lost loved ones in battle.

- *Psychiatric Services*

Presently, the waiting list for an appointment with a psychiatrist or an advanced-practice psychiatric nurse for medication management and other psychiatric services can stretch up to six weeks. Thus, when a person is released from the hospital after being stabilized,

medication appointments may not be available in a timely fashion. In some cases, this can result in re-admission to a State psychiatric hospital, creating a cyclical pattern that is costly and otherwise avoidable. New funding of approximately \$2.5 million will provide an estimated 25,000 additional hours of counseling time from psychiatrists and/or advanced practice psychiatric nurses.

- *Support Services for Permanent Supportive Housing*

Case management, counseling, employment training and daily living skills are vital support services that help to ensure the long-term wellness and recovery of persons with mental illness in a permanent supportive housing setting. This Budget includes an additional appropriation of approximately \$5 million for these services, which will be made available to the first 500 persons who take advantage of the housing opportunities provided by the Governor's Housing Trust Fund (see description below).

- *Jail Diversion*

Nationally, 16% of prisoners suffer from a severe mental illness. A similar situation exists among inmates in New Jersey. Studies indicate that persons with mental illness often end up in prison due to an inappropriate charge, often of a non-violent or disorderly nature, when providing access to appropriate treatment and medications would have been the preferred form of treatment. In fiscal 2006, an estimated \$1.8 million in new funding is recommended to develop community treatment liaisons to the judicial community in the counties with the greatest need. This program is patterned after pending legislation introduced by Assemblyman Francis Blee. Based on statistical information, the counties with the highest pre-arrest/pre-adjudication numbers will be identified and community treatment liaisons to the judicial community will be developed based on their needs.

- *Governor's Council on Mental Health Stigma*

Stigma, which erodes confidence that mental disorders are real health conditions, is one of the greatest barriers to treatment today. This Budget proposes a new appropriation of roughly \$250,000 to establish the

Governor's Council on Mental Health Stigma, with representatives from the fields of mental health, healthcare, the media, insurance, government, pharmaceutical industry, business, law enforcement, clergy and education, as well as consumers and family members. The group's mandate will be to develop a master plan to increase public awareness and understanding of mental disorders.

- *Office of Disaster Mental Health*

One of the lessons of September 11th was the importance of having readily available services to respond to the needs of victims of large-scale emergencies. A new appropriation of approximately \$250,000 is recommended to stabilize the current Office of Disaster Mental Health with the Division of Mental Health Services for that purpose.

- *Supportive Employment*

An individual with mental illness who has learned to manage his/her own illness must also provide for their own housing, education, and employment in order to become a fully-contributing member of society. Currently, there are approximately 1,600 consumers per year who benefit from supportive employment programs funded by the State. Expanding the current funding by an estimated \$1 million, from \$3.5 million to \$4.5 million, would enable approximately 450 additional individuals with mental illness to participate in this program, which successfully places a minimum of 50% of its participants in viable employment.

- *Bilingual and Culturally Competent Services*

Cultural competency in mental health and social services is a key component of quality care. Services and mental health professionals need to have the necessary language and cultural skills to support racial and ethnic minority groups in need of mental health services. A new investment of approximately \$1 million is proposed for fiscal 2006 to expand bilingual and culturally-diverse case management and outpatient services, specifically to serve the fastest-growing ethnic minority populations in New Jersey. Anecdotal data from community-based provider agencies and ethnic minority group associations as well as census data will be essential in identifying crucial service areas and populations.

- *Short-Term Care Facilities*

Families and persons with mental illness prefer to receive treatment as close to home as possible. Currently, an average of two out of every three persons determined to be in need of hospitalization at local screening centers is sent directly to a State psychiatric hospital. To encourage community hospitals to provide this care closer to home, the Fiscal 2006 Budget commits approximately \$1 million to implement a pilot program to provide inpatient psychiatric hospitalization in community Short Term Care Facilities for up to 30 days. This program will assess whether patients can be stabilized before they are sent to a more restrictive and costly place of care.

- *Residential Health Care Facilities*

An estimated \$2.2 million in additional State funding is proposed for fiscal 2006 to improve Residential Health Care Facilities (RHCF), or "boarding homes." An increase of \$50 per patient would be provided in the existing subsidy to RHF operators, along with an increase of \$10 for the consumers' personal needs allowance. This investment will assist in improving the facilities and overall quality of life for those persons residing in the RHCF's.

In addition, responsibility for the monitoring and inspection of these facilities will be shifted from the Department of Health and Senior Services to the Department of Community Affairs (DCA). DCA presently has jurisdiction over the regulation of rooming and boarding homes, facilities that are similar in nature to RHCF's. Using existing staff available within DCA's Division of Codes and Standards, this consolidation will provide a more efficient means of administering these inspections, eliminating overlap and duplication of effort.

- *Community Health Law Project*

The Fiscal 2006 Budget would provide an estimated \$600,000 to the Community Health Law Project (CHLP) which counsels persons with mental illness and their families on their entitlements and benefits and often represents persons with mental illness living in boarding homes. The CHLP will be expanded from 7 to approximately 10 counties. Approximately 90% of mental

health patients are denied on their first submission of a benefits application to the federal government. CHLP has a 90%+ success rate of obtaining federal benefits for these people, however.

- *Specialized Case Management*

To provide opportunities for services in the least restrictive setting for those persons identified as “treatment resistant,” but who do not necessarily meet the terms for involuntary inpatient commitment, the Fiscal 2006 Budget will include approximately \$1.5 million for Special Case Management services to help these individuals recover in the community.

- *Pilot Re-entry Case Management Services*

Studies indicate that, for the mentally ill prisoner, re-entry treatment and related services after release are crucial to giving them the best possible chance to become productive members of society. The University of Medicine and Dentistry of New Jersey (UMDNJ) recently assumed responsibility for mental health patients currently incarcerated in New Jersey’s prisons. It is recommended that approximately \$800,000 be appropriated to pilot re-entry case management services, building on existing Intensive Case Management and Program for Assertive Community Treatment (PACT) services, with the provider directly coordinating with UMDNJ staff, beginning with pre-discharge planning. This will provide approximately 100 hours of case management for approximately 100 individuals recently discharged from prison. This new program will be a cooperative effort administered by the Department of Human Services, the State Parole Board, and the affected communities.

- *Governor’s Task Force on Mental Health*

Under the direction of the Acting Governor, the Task Force on Mental Health, established in Executive Order #1 on November 16, 2004, will continue to evaluate and monitor these activities as well as relates administrative directives and recommendations, concerning adult and children’s mental health services, throughout fiscal 2006.

College Loan Forgiveness for Mental Health Workers

A new appropriation estimated at \$3.5 million also is recommended for the College Loan Forgiveness Program for Mental Health Workers within the Higher Education Student Assistance Authority budget. An estimated 3,000 New Jerseyans graduate from four-year college programs each year with the intention of entering jobs in the social service industry. Unfortunately, after being employed for just one year in community-based provider agencies, 38% leave these jobs; in some of the more intense programs, the turnover rate can be as high as 80%. Most of the staff that leave these positions do so because they have difficulty paying off student loans, a problem exacerbated by the fact that the average starting salary of social service and mental health professionals in New Jersey is only \$25,000. Under the proposed program, up to \$5,000 of an individual’s outstanding loan amount could be forgiven (i.e., paid by the State) annually, and up to \$20,000 over a period of four years, for qualified college graduates. The program, which will be available to New Jersey residents who work in a State, county, or State-contracted, non-profit mental health or social service facility in the state, will ensure that our most vulnerable citizens receive continuous care from quality professionals.

Housing Trust Fund

Approximately half of all adults with mental health concerns presently live at home with aging parents and many of the state’s 8,000 chronically homeless people also suffer from some type of mental illness. Unfortunately, the wait for housing presently can last as long as five years. Besides bringing decency to their lives, the availability of decent housing will dramatically enhance the chance of recovery for these individuals.

To ensure that New Jersey’s most vulnerable citizens have a place to call home, a \$200 million Housing Trust Fund will be established in fiscal 2006 as an initial step in creating 10,000 permanent, affordable housing opportunities over a 10-year period. (These capital funds will be derived from bonding capacity remaining from the prior securitization of motor vehicle surcharge revenue in fiscal 2005.) This initiative, which will have no cost impact in fiscal 2006, will enable individuals with mental illness and the disabled to achieve their highest functional level in the least restrictive setting.

Postpartum Depression

In the Department of Health and Senior Services (DHSS), a new appropriation of approximately \$2

million is recommended for Postpartum Screening. Postpartum Depression (PPD) is a condition that describes a range of physical and emotional changes that many mothers experience after having a baby. The new appropriation will cover the cost of treating postpartum depression among uninsured women, establishing New Jersey as the first state in the nation to do so. In addition, an estimated \$2.5 million will be provided to DHSS for a postpartum education campaign. This new program will educate the public on postpartum depression, including its signs and symptoms, and will instruct women and their families on how to get needed help.

Traumatic Brain Injury

In addition, as part of the mental health initiative, an increase of approximately \$1.8 million is recommended in the Department of Human Services to serve more people with traumatic brain injury in a non-institutional setting. The federally approved Medicaid Traumatic Brain Injury Waiver provides home and community-based assistance services to adults who have suffered traumatic brain injury. At present, New Jersey has approval and funding for 300 slots for this particular waiver. The increase noted above will enable the Department of Human Services to fund an additional 50 slots, an increase of 17%.

Brisbane Closure

Under the terms of a legal settlement with Children’s Rights, Inc., the Arthur Brisbane Child Treatment Center must be closed by December 31, 2005. The Child Welfare Reform Plan establishes a timetable for ceasing admissions for each population group at Brisbane. That Plan was initiated on September 30, 2004 and will continue until admissions stop on June 30, 2005.

The Plan also requires that former Brisbane residents receive services in a less restrictive, community-based setting. These community-based programs will be operated by non-profit agencies contracting with the Department of Human Services and will be based on the age of each child and the severity of their behavioral health issues.

A total of \$2.4 million was provided in fiscal 2005 for transitional costs associated with the depopulation of Brisbane. This funding is continued in fiscal 2006 along with \$5.6 million for community placements of children who otherwise would have been placed in Brisbane.

After Brisbane is closed, the facility will continue to be used to provide services to children with special needs.

The exact nature and scope of those services will be determined by the Department of Human Services during fiscal 2006.

State Purchases – Disability Vendors

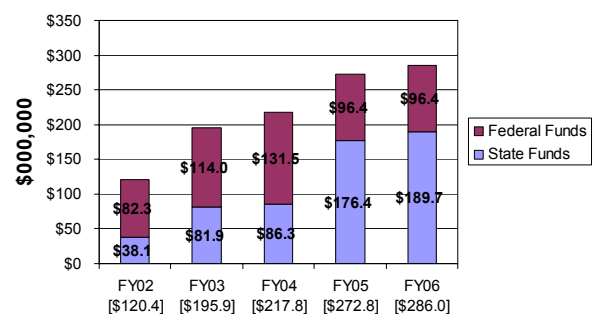
Presently, about one-third of 1% of total State purchases are made from developmentally disabled workshops. These purchases are made in accordance with the State Use Law for Rehabilitation Facilities, which encourages business between employment and training centers and State government agencies. In fiscal 2006, an administrative goal will be set to raise the percentage of State purchases from disability vendors or the Central Non-profit Agency (i.e., set-aside program) to a total of 3%.

Homeland Security

The tragic events of September 11, 2001, not only changed our lives, they fundamentally altered the priorities of government. To confront the enormity of the task that lay ahead, security became a top funding priority, and the State re-organized key services to combat the ongoing threat of terrorism.

As depicted on the attached chart entitled “New Jersey Homeland Security Funding,” a total of \$1.1 billion has been made available for security programs in New Jersey since fiscal 2002, split almost equally between State (\$572 million) and federal (\$521 million) funds. Along the way, however, the federal portion has steadily declined as a percentage of the annual total, dropping from a high of 68% in fiscal 2002 to a projected 34% in fiscal 2006. The State has filled that vacuum, raising its level of effort by nearly 500% from approximately \$38

New Jersey Homeland Security Funding

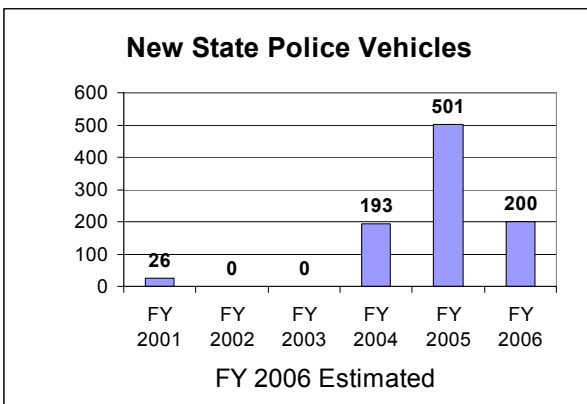
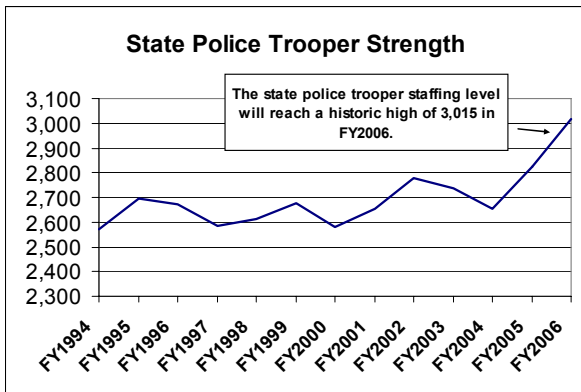


million in fiscal 2002 to a projected \$189 million in fiscal 2006, primarily by adding new surcharges on car rentals (\$2 per day, \$22 million per year beginning in fiscal 2004) and monthly telephone bills (\$.90 per phone line, \$115 million per year beginning in fiscal 2005) to an expanded level of General Fund support.

The chart below outlines some of the new programs that were implemented since September 11th, 2001, and the corresponding State funding that is recommended in fiscal 2006:

| | |
|--|----------------|
| Enhanced 911 Service – Wireless Calls | \$32.4 million |
| Municipal Aid – Homeland Security Grants | \$32.0 |
| Bioterrorism/Disease Surveillance | \$12.3 |
| Office of Counterterrorism | \$ 9.2 |
| Nuclear Plant Security | \$ 4.8 |

As displayed on the chart below entitled “State Police Trooper Strength,” the State has also increased the State Police ranks by a projected 363 troopers (14%) from fiscal 2004 to fiscal 2006 at an annual cost of approximately \$12 million in salaries. This will provide a total of 3,015 troopers, the highest level in the history of the State Police. An accompanying chart entitled “New State Police Vehicles” displays a corresponding increase in State trooper cars during this time frame.



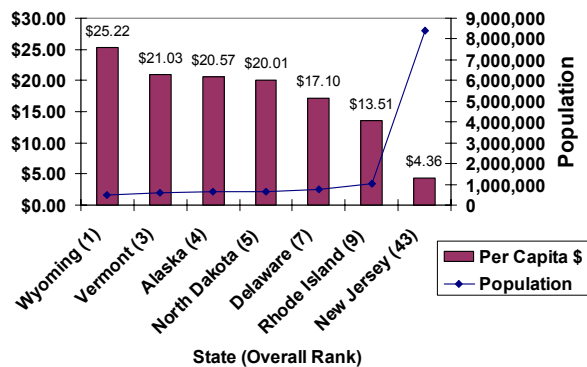
Equally impressive, however, is the amount of capital funds provided by the State, including Building Authority financing, to upgrade key emergency response facilities or to protect potential targets:

| | |
|---|----------------|
| State Police Technology Center and Troop C Headquarters | \$84.0 million |
| State Police Emergency Operations Center | \$27.0 |
| OIT Availability and Recovery Site | \$14.1 |
| Statewide Security (since FY2002) | \$12.0 |

With the exception of Bioterrorism, however, none of these new programs received any federal support. In fact, federal funds provided to New Jersey for health and law enforcement programs declined by a total of \$35 million or 27% from fiscal 2004 (\$131.4 million) to fiscal 2005 (\$96.4 million). Most of this decline (\$32 million or 90%) was in the area of law enforcement, reflecting a \$16 million (40%) reduction in equipment and training grants for first responders in New Jersey as well as cuts to Urban Area Security Initiative (UASI) grants (\$13 million, 40%). The latter, which are designed to address the unique security needs faced by large cities, resulted in a reduction to the Jersey City UASI of \$10.3 million, or 60%, from \$17 million in fiscal 2004 to only \$6.7 million in fiscal 2005. The greater Newark UASI, which includes Essex, Bergen, Morris, Hudson, Passaic and Union counties, will receive only \$12.4 million in fiscal 2005, or \$2.6 million less than its previous \$15 million amount. Collectively, these two UASI areas represent nearly half the state’s population and its critical infrastructure sites.

Generally, there are two underlying causes for the decline in federal funds to New Jersey. The UASI cuts noted above were implemented despite an increase in the total UASI funding of 24% in fiscal 2005, as the federal government directed more funds to the nation’s largest cities (e.g., New York, Washington, D.C.) at the expense of comparatively smaller urban areas. The federal government’s use of a population-based formula for distributing Homeland Security grants among the states was equally troubling. As shown on the attached chart entitled “Per Capita Allocation of Federal Homeland Security Funds,” rural states such as Wyoming and Vermont, which have far fewer potential terrorist targets, have received much higher funding on a per capita basis than New Jersey. In fact, New Jersey ranks 43rd in the nation in federal Homeland Security grants per capita despite having the highest concentration of at-risk infrastructure. Unfortunately, the funding provided has simply not been commensurate with the risks, placing a disproportionate funding burden on New Jersey taxpayers.

Per Capita Allocation of Federal Homeland Security Funds



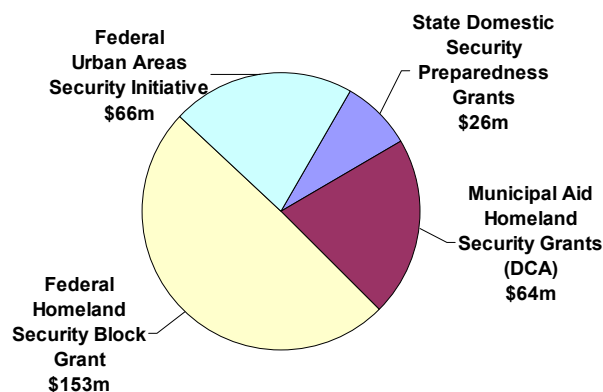
The State’s lobbying efforts at the federal level may be bearing fruit, however. The proposed Federal 2006 Budget, released on February 7, 2005, would restructure State and local grants for first responders to target money to areas which face the greatest risk and potential vulnerability. It would scrap the current population-based formula and instead require states to compete for funds by demonstrating how their security plans mesh with national preparedness goals. It would also provide \$600 million nationally for a new grant program to protect key infrastructure, including ports and private industry, would lower the minimum percentage allocation to states from .75% to .25%, and increase UASI funding for cities. However, Congress must approve these changes by altering existing law, including the USA PATRIOT Act, which designates the current mandatory minimums for states.

Of the funding that is presently available, much of it has been forwarded to localities. In the aftermath of September 11th, many towns have struggled to keep pace with Homeland Security needs. The attached chart, entitled “Homeland Security Funding – Localities”, highlights an estimated \$309 million that was passed through to local governments, representing roughly one-third of the \$1.1 billion in State and federal funds provided for Homeland Security from fiscal 2002 to fiscal 2006. This includes 80% of most federal grants for equipment and training as well as \$32 million in annual State funds for local property tax relief, offsetting security costs within local operating budgets.

Organizing Collaboratively to Maximize Resources

Under the best of circumstances, there is not enough funding available to bring every affected agency up to the level of preparedness that is required. To

FY02 - FY06 Homeland Security Funding to Localities - \$309 Million



successfully combat terrorism, cooperative solutions must be implemented. As opposed to the ways of the past, when hundreds of localities would purchase equipment and security services independent of one another, it is inherently more efficient to arrange mutual aid agreements between various units of governments. New Jersey has responded to this challenge by instituting historic organizational changes that drive budget decisions, leveraging available funds through the regionalization of services.

Over a year before the federal government established the new U.S. Department of Homeland Security, New Jersey created the Domestic Security Preparedness Task Force to coordinate the efforts of multiple departments, including Law and Public Safety, Health and Senior Services, Transportation, and Environmental Protection, to name a few. Operating largely out of public view, the Task Force has coordinated one of the most extensive interagency operations in State history. To drive home the importance of interagency cooperation, the Task Force has adopted a funding strategy that maximizes available resources by placing the highest priority on regional solutions and, to the extent possible, adopting a “follow the hazard” approach that recognizes the localities that face the greatest risk.

Some prime examples of interagency cooperation include:

- Detect and Render Safe Task Force – State and local collaboration providing bomb squads and explosive-detecting dogs on a regional basis.
- Rapid Deployment Force (RDF) – over 1,000 officers from 135 municipalities and counties, plus a contingent of State troopers, provide immediate response capability to potential terrorist incidents that could overwhelm a local police force; the RDF also has been deployed for special events,

such as the Republican National Convention, the presidential inauguration, and to inspect trucks traveling into Manhattan during periods of heightened security alerts.

- Domestic Security Exercise Support Team - an interagency group that evaluates security capability in the field. For example, in April, 2005, New Jersey will participate in a congressionally-mandated, full-scale terrorism preparedness exercise referred to as TOPOFF 3, a week-long security exercise which will be international in scope, involving Canada and the United Kingdom as well as federal, state and local governments. New Jersey was chosen as the host venue on a competitive basis for the biological agent exercise (plague). The Support Team will identify existing gaps and weaknesses.
- Monmouth County assigned much of the equipment it purchased to a select few county or municipal responders who are positioned and staffed to rapidly transport the equipment anywhere in the county. This model has been replicated throughout the state.
- At the request of the United States Coast Guard and the United States Navy, State Police marine troopers now escort vessels carrying military and hazardous cargo containers.

Collaboration has also extended to the private sector, which owns up to 90% of the critical infrastructure in our state. The Task Force has developed best practices for security, covering issues such as background checks, mitigation measures, and communication protocols for crisis events, and tailored them to 20 different industry sectors (e.g., chemical/petroleum, healthcare and food). The corresponding public agencies serve as liaisons to their respective industries (e.g., Board of Public Utilities with the power industry), forwarding best practices to the Governor for approval. These suggestions are then disseminated to each company within a sector, and compliance is monitored biannually. In addition, the Office of Counter Terrorism routinely shares information with the private sector about potential threats using a high-speed notification system.

Two other key examples of regional, multi-agency solutions pressed by the Domestic Security Preparedness Task Force are summarized below.

School Security

In the summer of 2004, the extent of what is truly at stake in the war against terrorism became apparent in an attack on school children in Beslan, Russia, in which terrorists hid explosives and weapons in the school as part of a construction project. The shock was deepened by the subsequent news that floor plans for two New Jersey schools were found on a computer disk in Iraq. To ensure the safety of our children, Acting Governor Codey implemented a School Security plan. Each school in New Jersey will receive a comprehensive security checklist jointly prepared by law enforcement and educational officials, and the State Police will send trained security experts to ensure compliance at every school. In addition, every school construction site will be regularly inspected by security staff, and school personnel will be trained by federal and State security experts on how to recognize and react to potential terrorist activity. Finally, the NJ Domestic Security Preparedness Task Force will apply the lessons learned from the pre-existing Model Mall Initiative to investigate the use of new technology, such as “smart” surveillance cameras or identification cards, which are currently being evaluated by the State’s Homeland Security Technology Systems Center at the New Jersey Institute of Technology (NJIT).

Interoperable Communications

Another stark lesson of the September 11th disaster was the inability of first responders to effectively communicate. Using a combination of \$36 million in State and federal funds, including \$2 million provided in a supplemental appropriation signed by the Acting Governor in January, 2005, the State Police will upgrade their existing, obsolete analog radio system to a digital platform, ending the reliance on a single transmitter at a single tower which existed at the time of the World Trade Center attack.

While statewide coverage is expected by December of 2005, the North Jersey segment was recently completed and field tested with over 40 other law enforcement agencies, including the Port Authority, FBI, Coast Guard, county sheriffs, and local first responders. This technology, which was successfully used at the Republican National Convention and during previous threats against the financial industry in northern New Jersey, eliminates the need to patch together existing frequencies through a central dispatch point. That prior system produced a “party line” type connection in which many agencies were indiscriminately linked. Instead, the new system provides a targeted “private line”, essentially limiting communications to those first responders who are vital in any particular emergency. This system, which meets current standards established

by the federal Department of Homeland Security, makes maximum use of existing radio equipment while the State awaits a longer term solution that would standardize radio frequencies for all users.

As a counterpart in the health field, New Jersey is also the first state in the nation to have an interoperable radio system connecting the State's 84 acute care hospitals and the various emergency preparedness centers, ensuring reliable communications among health care providers and first responders if a terrorist event or natural disaster were to disrupt normal communications.

State Police – Homeland Security Branch

On February 26, 2004 the State Police announced the largest reorganization in the Division's history with the creation of a new Homeland Security Branch (H.S.B.). This reorganization placed all front-line defenses under one unified command, thus maximizing the Division's ability to coordinate statewide resources. As of January 2005, the HSB has a total of 1,137 staff, approximately one-quarter of the total available to the State Police.

Public Health Terrorism Preparedness

The Department of Health and Senior Services (DHSS) has stewardship responsibility for approximately \$45.3 million a year in state (\$12.3 million) and federal funds (\$33 million) for bioterrorism, disease surveillance, and health care preparedness. These resources enable DHSS to adequately prepare for emerging health threats that were rarely mentioned prior to the tragedy of September 11th.

In fiscal 2005, approximately \$14 million was forwarded to counties and cities (e.g., Newark, Paterson) designated as lead public health departments to enhance emergency preparedness planning and response, disease surveillance, health education, training, and mass vaccination, adding approximately 150 specialists to the local public health workforce.

To rapidly distribute antibiotics and vaccines during a biological or chemical attack, the Department developed a robust system for the storage and distribution of the federal Strategic National Stockpile, including a supplemental stockpile to meet our immediate needs until the federal assets arrive. In fiscal 2005 and 2006, \$3.5 million will be provided for this purpose. This includes the strategic placement of "CHEMPACKS", which are federally-controlled supplies of chemical antidotes located in select hospitals and secure government venues around the state.

The State's emergency medical services (EMS) and health care system, such as hospitals and community

health centers, require increased capacity to handle mass casualties. In response, nine hospitals have been designated as Medical Coordination Centers, responsible for coordinating medical activities on a regional basis (\$8.6 million). In addition, New Jersey was the first state in the nation to provide a round-the-clock Bioterrorism Rapid Response team as well as three regional EMS Task Forces comprised of advanced life support and paramedic staff who can mobilize quickly in the face of a crisis. Finally, the JEMTRAK project will provide a rail-based medical response capability, retrofitting several rail cars with equipment, medical supplies and trained health personnel to provide timely triage, emergency medical treatment and transport/medivac (\$1.4 million).

Laboratory testing services are a vital component of every state's preparedness efforts, and DHSS has aggressively pursued several capital projects to more efficiently handle specimens. Assuming final legislative approval in 2005, the NJ Building Authority will be authorized to provide \$139 million in financing for a new, 275,000 square foot, state-of-the-art Public Health, Agricultural and Environmental Laboratory. The facility should be fully commissioned in about four years. In the interim, DHSS has secured satellite lab space to support expanded environmental chemistry testing and has also expanded its current microbiology laboratory to provide an additional 3,000 square feet of lab space.

In addition, DHSS is also constructing a full use, 1,500 square foot Health Command Center, providing a key focal point for coordinating the public health response to an act of terrorism or other major health emergencies. The facility will be equipped with redundant, state-of-the-art communications equipment as well as an emergency power generator to ensure continuity of operations at a total cost of \$2.2 million.

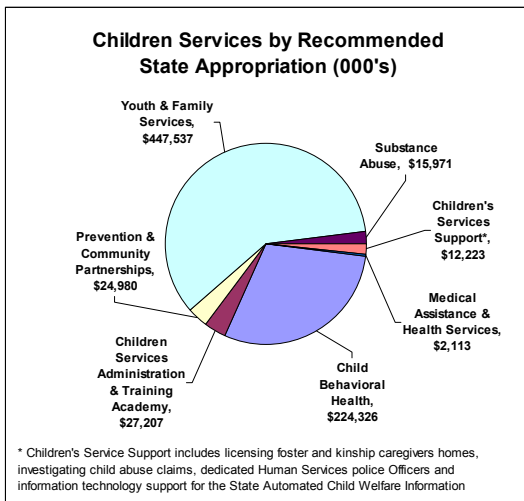
Child Welfare Reform

Following the tragic death of several children due to abuse or neglect, a federal class action lawsuit originally filed by Children's Rights, Inc., in 1999 was settled in June, 2003. The settlement created a Child Welfare Reform Panel whose role is to approve a reform plan developed by the State and to oversee the subsequent reform efforts implemented over an 18 month period. The plan, entitled *A New Beginning: Child Welfare Reform in New Jersey*, was approved by the Panel on June 9, 2004 and incorporated into the lawsuit.

The Fiscal 2006 Budget provides an additional \$55 million in State funds, increasing State appropriations from \$149.8 million in fiscal 2005 to \$204.8 million (37

%) in fiscal 2006, to sustain and expand Child Welfare Reform efforts for the following initiatives:

- Reorganize Children Services:** All child welfare services within the Department of Human Services are restructured under the Office of Children Services, an umbrella “agency within the agency.” Within this new organization are the Division of Youth and Family Services, the Division of Child Behavioral Health, the Division of Prevention and Community Partnerships, and the Child Welfare Training Academy. By separating mental health, prevention and training services, DYFS will be able to focus exclusively on permanency and protective services for children. (See the attached chart entitled “Children Services by Recommended State Appropriation” for a breakout of State funding for Child Welfare among various divisions within the Department of Human Services.)



- Additional Caseworkers and Support Staff:** The Fiscal 2006 Budget provides funding for additional employees. These positions include additional case-carrying staff that will allow DYFS to move towards its goal of achieving caseload-to-staff ratios of 12-to-one for protective staff and 15-to-one for permanency staff.
- Rate Increases for Resource Families (i.e., Foster Care, Subsidized Adoption):** The Budget provides additional funding to increase the board rates for foster and subsidized adoption in order to close the gap between current rates and the U.S. Department of Agriculture’s estimated cost

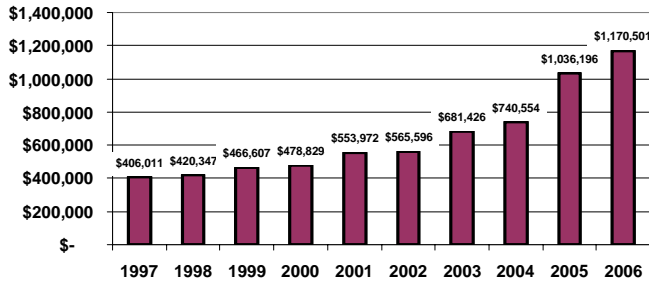
of raising a child in a two-parent, middle income family in the urban northeast by 15%.

- Division of Child Behavioral Health Services:** Funding is provided to reduce the inappropriate reliance on institutional settings by expanding child behavior health services, including intensive in-home services, mobile response and stabilization services, care management organizations, family support organizations and community-based treatment homes.
- Substance Abuse:** Additional funding is provided to create and support more substance slots for women who are involved or at-risk of involvement with the child welfare system and their children.
- Community Partnerships and Prevention Services:** With particular attention to the precursors of child abuse and neglect, including mental health, substance abuse and housing, the Fiscal 2006 Budget provides funding to support expanded community-based planning services including school-based youth programs to preserve and support healthy families.
- Child Welfare Training Academy:** The Fiscal 2006 Budget supports the continued development of the Child Welfare Training Academy, which provides training for resource families, community-based provider employees and all Office of Children Services staff.
- Statewide Automated Child Welfare Information System (SACWIS):** Operational support is continued for the development of SACWIS, which rolled out its first module November, 2004. An additional \$3.5 million is recommended in State capital to modify a component of an existing SACWIS system from another state so it may be used in New Jersey. This State funding will be matched by federal grants.

Beyond the growth associated with Child Welfare Reform efforts, the Fiscal 2006 Budget provides another \$24.5 million for Child Behavioral Health services and \$4.3 million in funding for various DYFS out-of-home placement categories. As depicted on the attached chart entitled “Protecting Children: Total Expenditures”,

the combined value of State and federal funds dedicated for protecting children in fiscal 2006 will be nearly \$1.2 billion, an increase of 13% over the amount provided in fiscal 2005.

**Protecting Children: Total Expenditures
Fiscal 1997 - 2006 (in thousands)**



Expenditures data includes all funds for the Office of Children Services; Office of the Child Advocate; Division of Law, Office of Child Welfare; and Office of Public Defender, Law Gaurdain Kinship Care.

Safety Net

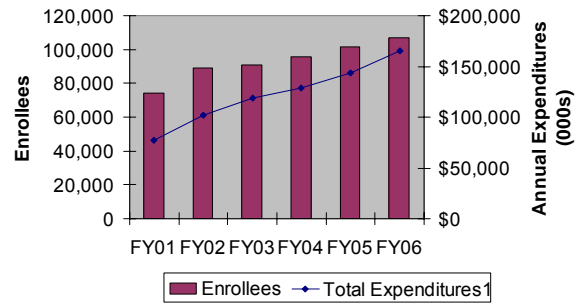
Medicaid, Family Care, and Kidcare

Through the Medicaid, FamilyCare, and KidCare programs, the Division of Medical Assistance and Health Services fulfills its commitment to provide health care to New Jersey's most vulnerable citizens. The combined State cost of providing these services is projected to increase from \$2 billion in fiscal 2005 to \$2.2 billion in fiscal 2006. This increase of 8.4% is primarily attributable to utilization increases, medical inflation, and the rising cost of prescription drugs.

While the number of Medicaid-eligible residents is projected to remain relatively stable at 930,000, the number of children receiving health insurance through the KidCare Program is expected to increase by 10,000, or approximately 10% above the 100,000 children currently receiving health insurance benefits. As can be seen in the chart entitled "NJ KidCare Growth", the Fiscal 2006 Budget continues support for this growing program with \$164 million in State and federal funds. All New Jersey children with a family income up to 350% of the federal poverty level, or income of \$65,975 for a family of four, will continue to be eligible for coverage under the program.

Due to fiscal constraints, the FamilyCare program will again be limited to those who are currently enrolled.

NJ KidCare Growth



Operational Efficiencies

In an effort to provide the highest possible level of benefits to the Medicaid population in this challenging fiscal year, operational efficiencies and client cost-sharing measures totaling \$25.8 million are recommended for fiscal 2006. These cost containment initiatives are quite similar to those implemented by most other states across the country, all of whom face the same type of Medicaid cost pressures as New Jersey has experienced. While New Jersey has avoided the more draconian cuts that some other states have found necessary, including large scale reduction of ancillary services, the measures proposed for fiscal 2006 are designed to eliminate duplication and increase program efficiency. Highlights include:

- Savings of \$20 million will be achieved through enhanced monitoring of Medicaid payments for outpatient hospital services.
- Individuals who receive chiropractic, home health, and physician services will share in the cost of their care, saving \$3.3 million. A nominal co-pay of \$3 per visit will be required from adult beneficiaries, excluding pregnant women.
- Recommended savings of \$1.5 million by switching to electronic information transfer wherever practical, thus reducing the cost for printing and postage, most of which will be obtained by transitioning to electronic transmittal of provider manuals and newsletters.
- Continued efforts to identify individuals currently enrolled in Medicaid who have duplicate coverage through a commercial company or the Medicare program, yielding a projected savings of \$1 million.

Prescription Drugs

Medicaid plans to spend in excess of \$1 billion in State and federal funds on fee-for-service and long term care prescription drugs in fiscal 2006. This amount

excludes drugs provided through a Medicaid managed care plan or the FamilyCare program. To lessen the budget pressure created by the rapid increase in the cost and utilization of prescription drugs, and to preserve Medicaid programs for the greatest number of needy recipients possible, several cost-saving measures worth \$12.1 million are planned for fiscal 2006, as summarized below:

- In an effort to better control drug utilization and help offset cost increases, adult beneficiaries excluding pregnant women, will begin to share the costs of their prescriptions, in fiscal 2006, yielding a Medicaid savings of \$3 million. A nominal \$1 co-pay will be required at the point-of-sale for each prescription filled.
- Recommended savings of \$3.4 million will be achieved by reducing the frequency of pricing updates. Currently, prices paid to pharmacies are updated on a weekly basis. This initiative would change these updates to once a month.
- Changing the refill requirements for prescription drugs is expected to produce savings of \$2.8 million. Currently, a prescription may be refilled once it is 75% finished. This initiative would increase that requirement to 85%.
- Implementing a computer system edit to screen for and deny any prescription claim that exceeds the maximum allowance for the number of pills per prescription is anticipated to save \$1 million.
- Recommended savings of \$1 million will be generated by reducing costs for the prior authorization of pharmacy claims. Currently, claims that require prior authorization are reviewed by a commercial contractor. This initiative would shift this function to the State's School of Pharmacy.
- Another new claims system edit will prevent the dispensing of prescriptions for narcotic drugs to anyone taking methadone. The effects of a narcotic prescription are neutralized by methadone, rendering the pharmaceutical useless. Savings of \$500,000 is projected.
- Recommended savings of \$330,000 will be achieved through changes in payments for

injectable drugs dispensed in a physician's office and billed as a physician service. Currently, Medicaid reimbursement for these drugs is based on the Average Wholesale Price (AWP) minus 5%. This initiative will reduce Medicaid reimbursement to the lower of a physician's acquisition cost or AWP minus 12.5%. This proposal will also maximize drug rebate revenue by including drugs administered by physicians in the federal Medicaid Drug Rebate Program.

Managed Care

In addition to traditional fee-for-service medical coverage, 646,000 people (69%) of all Medicaid Clients receive health care coverage through five Health Maintenance Organizations (HMOs). The managed care program, which seeks to provide quality access and care management to Medicaid clients, is funded at \$593 million in the Fiscal 2006 Budget. Through the increased coordination of care provided by HMOs, Medicaid clients remain in better health and incur lower health care costs.

Developmental Disabilities-Community Programs

The Fiscal 2006 Budget proposes increases in State appropriations for several programs that benefit the developmentally disabled.

As part of the Division of Developmental Disabilities (DDD) ongoing Community Service Waiting List initiative, funding will be available to place 200 people from the existing Community Services Waiting List and Community Transition in group homes during fiscal 2006, an increase of 3%. The cost of these new placements and full year funding for costs deferred from fiscal 2005 totals \$12.6 million.

Real Life Choices, a new program that was recently implemented within DDD, provides in-home/respite services for people on the waiting list and for people living at home with parents or guardians. Real Life Choices reduces the Community Services Waiting List by providing home supports for disabled persons and their families as an alternative to residential placements. Funding of \$1.5 million is recommended for the annualized costs of clients that were added in fiscal 2005.

In addition, Developmental Center Enhancement funding of \$2.5 million is recommended to prevent the Woodbridge Developmental Center from losing federal certification/funding. These funds will be used to encourage the recruitment of nurses, update equipment,

purchase contracted services, and provide community placements and work programs.

An additional \$7 million is recommended for approximately 200 emergency residential placements. Each year, DDD receives approximately 200 requests for immediate, emergency residential placements. The requests include people whose caregivers, usually elderly parents, are no longer able to provide care because of their own medical problems.

Charity Care

New Jersey hospitals are required by State law to provide services to those in need, regardless of their ability to pay. A share of the cost associated with this care is reimbursed by the State through the Charity Care program.

The Fiscal 2006 Budget provides a total of \$532.4 million in funding for Charity Care payments to hospitals. This reduced level is because of the lower than anticipated collections in the cosmetic surgery and ambulatory facility assessments. Of the total general fund contribution to the Health Care Subsidy Fund (HCSF), \$42.1 million will be used for Charity Care payments in fiscal 2006.

In addition to the General Fund contribution, it is anticipated that Charity Care will be funded by the following:

- \$200 million through a diversion of resources from the Unemployment Compensation Fund;
- \$155 million from the cigarette tax;
- \$55 million from an assessment on Health Maintenance Organizations (HMOs);
- \$42.6 million in federal revenue;
- \$25 million from an assessment on ambulatory medical facilities;
- \$7 million from an assessment on cosmetic surgery procedures;
- \$5.7 million from other revenue sources.

If revenues realized are greater than those anticipated from the ambulatory facility or cosmetic surgery assessments, the amount of charity care distributed will be proportionally increased. This level of support to the State's hospital industry ensures access to medical care for those in need.

Federal Qualified Community Health Centers

The Fiscal 2006 Budget recommends an increase of \$5 million, from an existing appropriation of \$21 million to

\$26 million, to enable existing Federally Qualified Health Centers (FQHC) to treat more uninsured patients and to develop new service locations in areas designated as Medically Underserved Areas (MUA) by the U.S. Department of Health and Human Services. Currently there are 20 community health centers operating 67 facilities throughout New Jersey. The funding increase proposed for fiscal 2006 will enable the Department of Health and Senior Services (DHSS) to open several new centers and thus provide quality healthcare to approximately 30,000 additional New Jersey residents.

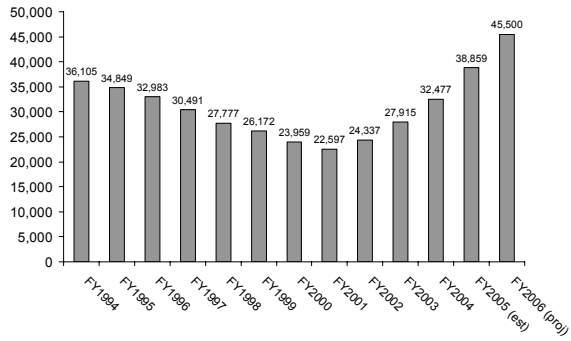
In the absence of a universal health insurance program, the community health centers have become a major component of the nation's health care safety net. In many communities, community health centers are the only health care providers available. Given the disparities that have been identified among communities and ethnic groups, this initiative is critical to addressing the medical needs of these special populations. Specifically, FQHCs improve infant mortality rates and prenatal care, reduce low birth weight, and control chronic disease and disability. They also decrease the use of emergency room services for non-emergency purposes, a key cost control factor.

In addition, Federally Qualified Health Centers include a federal 340B Drug Pricing program which gives access to reduced prices for prescription drugs. Specifically, the 340B Drug Pricing program requires manufacturers to provide outpatient drugs at a reduced price, as defined by federal statute. This program should help to maximize the use of available resources within the State's FQHC program.

Welfare

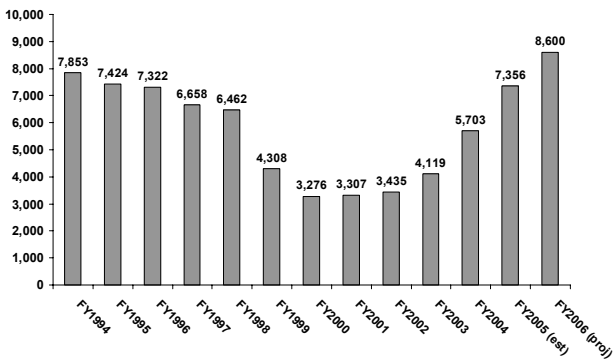
The General Assistance (GA) program provides cash assistance for single people and childless couples who earn up to 100% of the federal poverty level as well as other singles and childless couples who are unable to work due to disability. As noted on the attached chart entitled "Regular General Assistance Caseload", the number of GA recipients increased by 44% (9,880) between fiscal 2001 (22,597) and fiscal 2004 (32,477), and the cost of providing benefits increased \$15.2 million (36%) in the same period, from \$42.5 million in fiscal 2001 to \$57.7 million in fiscal 2004. Based on trends observed over the last 18 months, annual recipient growth of more than 15% is expected in fiscal 2005 and fiscal 2006, and the associated cost of providing benefits is expected to grow by \$22.8 million during this period.

Regular General Assistance Recipients, FY1994-2006



The GA program also provides emergency assistance services to its clients, including temporary rental assistance, payments for furniture, clothing, shelter and other essential needs. Due to increases in housing costs and a corresponding increase in the need for rental assistance, the number of GA emergency assistance recipients increased by approximately 73% (2,396) between fiscal 2001 (3,307) and fiscal 2004 (5,703). Due to increasing monthly grants, the cost of providing emergency assistance to this population more than doubled in this period, from \$25.1 million in fiscal 2001 to \$51.9 million in fiscal 2004. Additional growth of 53% (\$27.6 million) is expected between fiscal 2004 and fiscal 2006. This trend can be viewed in the attached chart entitled “General Assistance Emergency Assistance Caseload”.

General Assistance Emergency Assistance Caseload, FY1994-2006

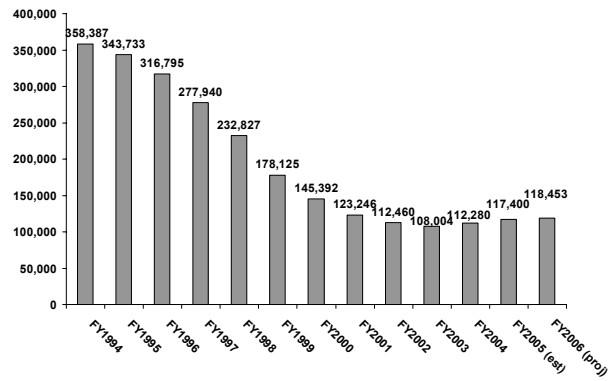


There are a number of reasons for the dramatic increase in GA caseloads, including the 2001-2002 recession, slow job growth in the current economic recovery, increased housing costs, and the fact that disadvantaged singles and couples become eligible for basic health coverage (available through the Division of Medical Assistance and Health Services) simply by receiving GA cash assistance.

The Temporary Assistance for Needy Families (TANF) program provides cash assistance for families whose

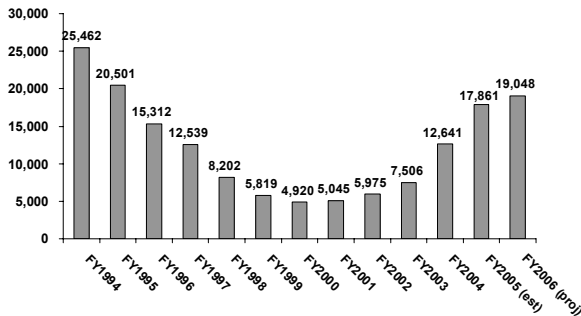
income is less than 250% of the federal poverty level. As noted on the attached chart entitled “TANF Recipients”, the total number of TANF recipients decreased by approximately 12% (15,242) between fiscal 2001 (123,246) and fiscal 2003 (108,004), generating budget savings of \$16.6 million in this period. Most of this decrease was attributable to the federal government’s 1996 welfare reform law which implemented cash benefit time limits and required welfare recipients to participate in work activities in order to move off of TANF cash assistance. In fiscal 2004, the TANF caseload increased by nearly 4%, the first annual caseload increase in more than 10 years, mainly due to slow job growth in the current economic recovery and a smaller number of TANF recipients leaving welfare for work. As a result, the associated cost increased by \$9.2 million. As shown on the attached chart, TANF caseloads are expected to rise by just over 4% in fiscal 2005 and then remain relatively flat in fiscal 2006. The increased cost between fiscal 2004 and 2006 is expected to be approximately \$10.0 million.

TANF Recipients, FY1994-2006



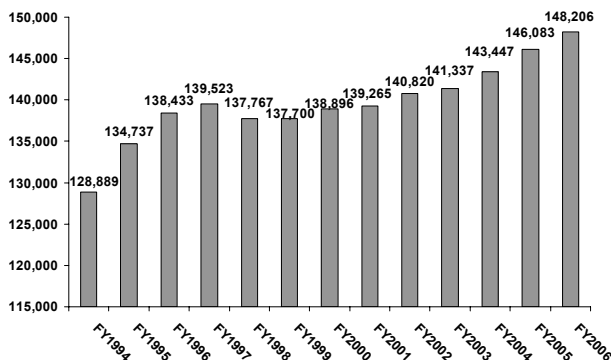
Similar to the GA program, TANF also provides emergency assistance services to its families, including temporary rental assistance, payments for furniture, clothing, shelter, and other essential needs. Due to increases in housing costs and a corresponding increase in the need for rental assistance, the number of TANF emergency assistance recipients increased by nearly 151% (7,596) between fiscal 2001 (5,045) and fiscal 2004 (12,641), and the cost to provide emergency assistance benefits increased by \$33.7 million in this period. (See attached chart entitled “TANF Emergency Assistance Recipients”). In fiscal 2001, approximately 1 out of every 20 TANF cash assistance recipients also received emergency assistance benefits; by fiscal 2004, that number was up to 1 out of every 9 TANF cash assistance recipients. The emergency assistance population is projected to continue to grow through fiscal 2006, generating \$4.5 million in budget growth.

**TANF Emergency Assistance Recipients,
FY1994-2006**



The Supplemental Security Income (SSI) program provides cash assistance to New Jersey’s economically disadvantaged disabled population. As depicted on the attached chart entitled “SSI Recipients”, this population has grown steadily since fiscal 1999, including 3% growth between fiscal 2001 and fiscal 2004, which created \$7.6 million in additional costs. On an annual basis, this growth trend is expected to accelerate slightly, from a rate of about 0.7% per year from fiscal 2001 to fiscal 2004 to about 1.5% per year in fiscal 2005 and fiscal 2006, mainly due to the aging of New Jersey’s population and the movement of GA – Unemployable recipients into SSI. Additional funds totaling \$3.6 million are expected to be needed to accommodate this caseload increase.

SSI Recipients, FY1994-FY2006



Health Care

Pharmaceutical Assistance to the Aged and Disabled (PAAD)

The recommended funding for the Pharmaceutical Assistance for the Aged and Disabled (PAAD) program in fiscal 2006 is approximately \$397.6 million, which is \$16.6 million (4%) less than the fiscal 2005 amount of \$414.2 million. As summarized below, this recommended appropriation includes several savings initiatives that offset projected fiscal 2006 budget

growth attributable to increased utilization and the rising cost of drugs:

- Typically, there is a six-month lag in the receipt of rebates from drug manufacturers. These rebates are based on the sheer size of the State’s bulk purchase of drugs. The Fiscal 2006 Budget will assume that rebates that are not submitted to the State until fiscal 2007, but which are due and owing from expenditures made in fiscal 2006, will be attributed to the Fiscal 2006 Budget. This approach mirrors the standard practice that has been applied in the past in the State’s Medicaid program. These rebates will offset the State appropriation for the PAAD program and thus yield an estimated savings of \$50 million in fiscal 2006.
- Reducing the frequency of pricing updates of prescription drugs will achieve an estimated savings of \$7.9 million. Currently, the PAAD and Medicaid programs update the reimbursement rates paid to pharmacies for prescription drugs on a weekly basis. This initiative would decrease the frequency of these price updates to once per month.
- The PAAD program will realize an estimated savings of \$4.5 million by changing the refill requirement for prescription drugs. Currently, a prescription may be refilled once it is 75% finished. This initiative would increase that requirement to 85%.
- The PAAD program will receive federal funding to help educate and transition PAAD beneficiaries to Medicare Part D. The Medicare Transitional Assistance Grant will be used to help offset PAAD State administrative costs. Estimated savings are \$5.3 million.

In addition, under the new federal Medicare Modernization Act of 2003, the PAAD program will provide a seamless transition for current recipients who will be enrolling into Medicare so no one will experience a loss of benefits.

Long-Term Care and Nursing Homes

The total recommendation for Nursing Home and alternative programs in the Fiscal 2006 Budget exceeds

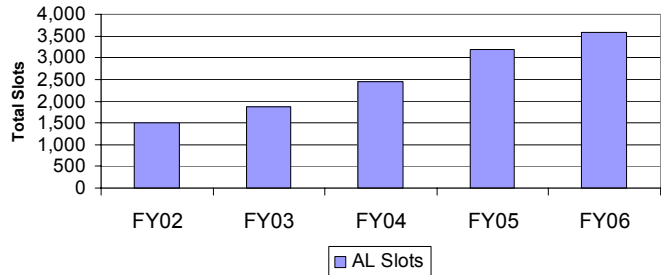
\$783 million in State funds. This recommendation includes several key savings initiatives which maximize federal revenues and control costs, thereby offsetting a total of nearly \$100 million of State appropriations that would otherwise be required to support Nursing Home and alternative operations. The major savings initiatives are outlined below:

- A provider assessment initiative, based on P.L. 2004, c. 41, implements a uniform assessment on all nursing facilities' providers that will generate new federal Medicaid matching funds. This initiative will provide \$51.5 million to offset increased costs funded by the State. The remaining revenue will be matchable under Medicaid, increasing the amount of federal matching funds which will be redistributed to the nursing facilities to improve caregiving.
- Nursing home rates will be rebased without providing an inflation factor adjustment, resulting in an estimated savings of \$23.4 million.
- Reducing nursing home reimbursements from 90% to 50% of the facility rate in instances where beds are reserved for residents who leave temporarily, is projected to yield a savings estimated at \$6.4 million.
- An enhancement of the existing peer grouping methodology which is used to reimburse county nursing facilities is expected to generate savings of \$6 million in fiscal 2006.
- Estimated net savings of \$765,000 may be realized through increased audits and recoveries of overpayments to nursing facilities. Additional staff have been added to support this initiative, which will ensure that nursing home rate recalculations are done in a more timely manner when overpayments occur.
- A \$3.00 co-payment on Medical Day Care services will be implemented. Estimated savings is \$3.2 million.

As depicted on the chart entitled "Growth of Assisted Living Slots," the Fiscal 2006 Budget supports an additional 375 slots for the Assisted Living program, bringing the total number of slots to 3,575, an increase

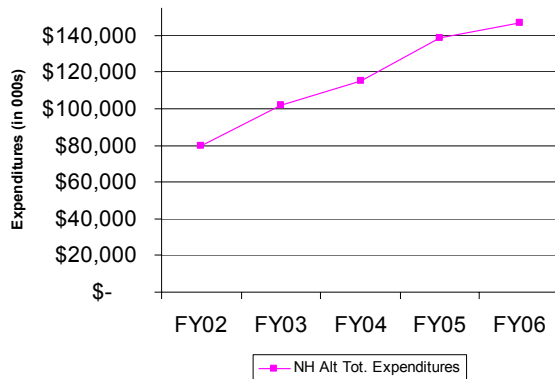
of 12% over fiscal 2005. Assisted Living provides a cost effective, community-based alternative to nursing home care for the Medicaid population. The program combines housing, personalized support, and health care services to those who need help with the daily activities but do not require nursing home care. Since fiscal 2002, the number of Assisted Living slots has increased by 138%.

Growth of Assisted Living Slots



The Fiscal 2006 Budget increases funding for programs that offer alternatives for nursing home residents to be supported in less costly, more appropriate services. (See the chart entitled "Growth of Nursing Home Alternatives".) These nursing home alternatives include Assisted Living, Community Care Alternatives, ElderCare, and Medical Day Care. The recommended Fiscal 2006 Budget approaches \$147 million for these four programs, which represents an increase of 83% above the fiscal 2002 appropriation of \$80 million.

Growth of Nursing Home Alternatives



Cancer Research

Cancer continues to be one of the leading causes of disease and death, prematurely taking the lives of 18,000 New Jersey residents each year. The Fiscal 2006 Budget reflects a continued commitment to eradicating cancer by providing \$32.3 million for cancer

research, prevention and treatment. Of this amount, \$23.3 million is targeted to support the Cancer Institute of New Jersey, including \$18.3 million in operating costs and \$5 million in capital for facility expansion. As the state's only comprehensive cancer center, the Cancer Institute provides access to life-saving screenings, precise diagnosis, and innovative treatments. In addition, the New Jersey Cancer Trial Connect website provides cancer patients with access to information about innovative, clinical research trials. The remaining amount of \$9 million is recommended for various cancer programs, such as the Commission on Cancer Research, cancer cluster investigations and cancer education and screening services through the New Jersey Cancer Education and Early Detection Program (NJCEED).

This appropriation continues a commitment that began in earnest in fiscal 2003. Since that time, the State has provided a total of \$123 million in cumulative appropriations for this important program beyond its original base amount.

Stem Cell Research

Stem cells are unique in their potential for easing human suffering. Most cells of the body – such as heart cells or skin cells – are committed to conduct a specific function. Stem cells are different, however, in that they are able to grow and develop into various specialized cell types. Researchers believe that stem cells, which may be derived from placental tissue, umbilical cord blood, or a range of adult tissues in addition to human embryos, will one day replace cells lost or damaged by devastating diseases such as Parkinson's, Alzheimer's, kidney and heart disease, as well as spinal cord and brain injuries. When transplanted, stem cells have the potential to repair damage and restore function. And by understanding how stem cells renew themselves for long periods, research may unlock the secret to the growth of cancer cells, which also multiply without apparent limit, and thus provide a benefit that does not require the therapeutic application of stem cells themselves.

But there is much work to be done before the potential gift of stem cell research is realized, before we can turn hope into an actual cure. In 2004, New Jersey took a historic step by creating the nation's first state-supported institute dedicated to stem cell research and medical treatment. Two major public research universities, the University of Medicine and Dentistry of New Jersey and Rutgers University, are working together to create the Stem Cell Institute of New Jersey in New Brunswick. The Institute will feature world-class research teams and a state-of-the-art research and

clinical treatment facility. An international search for a permanent Scientific Director of the Stem Cell Institute has begun.

As with any effort of this size and importance, resources are key. In his State of the State address, Acting Governor Codey committed \$150 million in bond funds that remained from a prior securitization to build the Stem Cell Institute. He also called for a \$230 million ballot initiative (General Obligation Bond Act) to fund stem cell research grants. Continuation funding of \$5.5 million is provided in fiscal 2006 for the initial planning and development of the Stem Cell Institute. These funds are in addition to the \$9.5 million previously appropriated.

Though other states are moving aggressively into this field, including initiatives totaling \$3 billion in California and \$1 billion in New York, the State of New Jersey holds a distinct advantage. Not only do we possess a unique combination of pharmaceutical infrastructure, biomedical research, and university expertise necessary to advance stem cell research, well over 50% of the therapeutic industry of the world is headquartered in New Jersey, and stem cells are clearly the future of therapeutics. This investment not only places New Jersey at the forefront of this exciting new field, it also represents a vital commitment to medical excellence for current residents and for generations to come.

Education

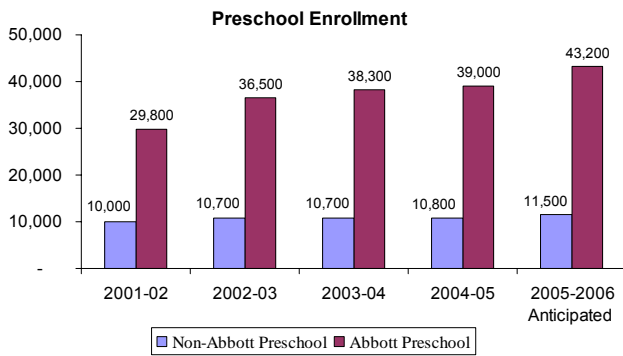
Including School Aid to localities, which is detailed in the Taxpayer Relief section of this document, over one-third of the Fiscal 2006 Budget, or \$9.3 billion of the \$27.4 billion total State appropriation, is provided for Education. Some of the more prominent programs are described below.

The Preschool Advantage

The importance of a quality education during a child's early years cannot be understated. In light of this, the State has maintained a firm commitment to enhance preschool services for our children. Through the joint efforts of the Departments of Education and Human Services, the State comprehensively integrates educational, social, and family programs to promote academic and social development. The quality of this effort has attracted national attention, as the National Institute for Early Education Research continues to rank New Jersey's Abbott program as one of the highest in the nation.

As the accompanying graph illustrates, the Department of Education expects preschool enrollment in the Abbott districts to grow to 43,200 for the 2005-2006 school year, an increase of approximately 45% since the program began in the 2001-2002 school year. If these enrollment levels are achieved, approximately 80% of all 3 and 4 year-olds in the Abbott districts will be enrolled in a high quality preschool program. To improve preschool quality while promoting fiscal accountability, the following initiatives are ongoing:

- Development of research-based program guidelines to encourage consistency across providers;
- A compliance program that will audit approximately 20% of providers and visit every district each year;
- Addition of fiscal specialists in each district to work with private providers and district programs on budget issues;
- Increased recruitment efforts to promote awareness of programs within Abbott communities;
- And offering a venue for providers, districts and the Departments of Education and Human Services to discuss issues and pose solutions.



Since fiscal 2003, a new form of State aid has been provided to fund the dramatic increase in preschool enrollment in the Abbott districts. The Fiscal 2006 Budget recommendation includes \$192.4 million for Abbott Preschool Expansion Aid, as well as \$108.4 million in the Department of Human Services for programs offered before and after-school for approximately 29,000 Abbott preschoolers.

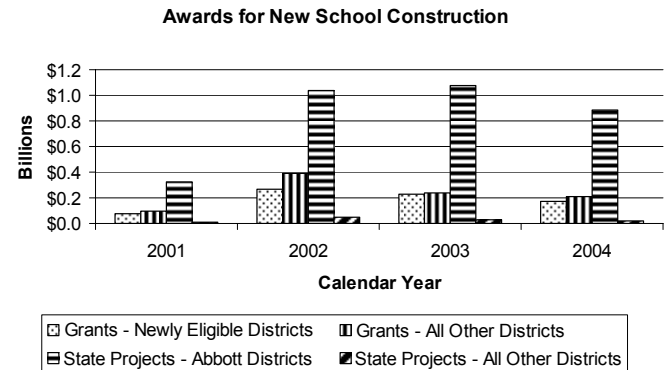
A second form of State preschool aid—Early Childhood Program Aid—supports an additional 42,823 preschoolers and kindergartners in 132 high poverty districts around the State. The Fiscal 2006 Budget

recommends \$330.6 million for this program. In fiscal 2005, a new category of early childhood State Aid, the Early Launch to Learning Initiative (ELLI), was introduced. The \$4 million recommended for this program in the Fiscal 2006 Budget will increase access to high quality preschool for four year-olds by creating new or expanded preschool programs in districts with low-income students.

School Construction

As defined by the Educational Facilities Construction and Financing Act of 2000, New Jersey’s school construction program is the largest in the nation. Every district is eligible for school construction aid and all districts saw an increase in the percentage of State support, which now ranges from 40% to 100% of approved project costs.

The New Jersey Schools Construction Corporation (SCC), a subsidiary of the New Jersey Economic Development Authority, is dedicated exclusively to school construction. In calendar year 2001, the first year of the program, state projects focused on correcting health and safety issues in the Abbott districts. As the following graph illustrates, in calendar years 2002 through 2004, \$3.1 billion was dedicated to approved state projects and \$1.5 billion was awarded in grants. Of the 440 districts that have received grants since the program’s inception, 189 districts (43%) were previously ineligible for any school construction aid. Finally, 112 districts have been approved to receive over \$415 million in debt service aid for school bonds issued before the new law took effect, thus decreasing reliance on local property taxes for that purpose. Of the districts receiving this retroactive debt service, 58 (52%) were previously ineligible for school construction aid.

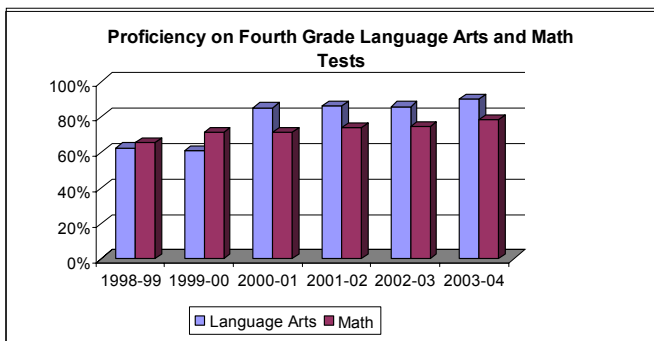


The overhauled school construction program provides a massive infusion of dollars into local school districts, helping districts keep pace with increasing enrollment and modernization needs while minimizing property tax growth. Six communities have been given the

opportunity to build Renaissance Schools and Demonstration Projects Schools that serve not only the students of the community, but their parents, seniors and other community members. These schools are designed to be the center of the community, offering parental support and adult classes. The SCC also provides training and financial tools to small businesses to maximize their participation in the construction of facilities and offers workforce programs to residents in the affected communities. The benefits of this investment will be reaped for decades, fulfilling our obligation to provide a quality learning environment for all of the State's children.

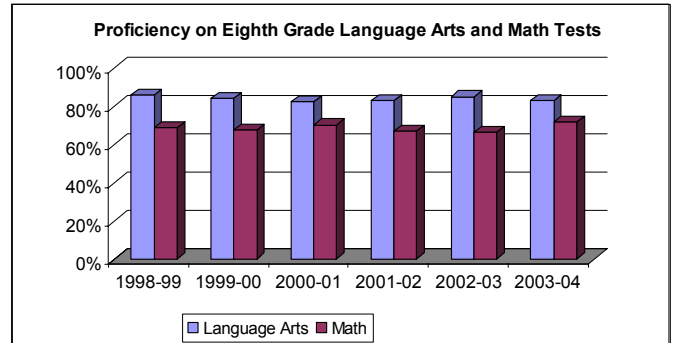
Statewide Assessment

New Jersey continues to recognize the far-reaching effect of investments to educate young students. In 1996, the New Jersey Board of Education adopted the Core Curriculum Content Standards (CCCS) which outlined the skills that New Jersey pupils should master by the end of the fourth and eighth grades. The CCCS also defined the graduation requirements for New Jersey's high school students by creating expectations for performance. In addition, the CCCS laid the foundation for three statewide assessment tests administered in grades 4, 8 and 11.



With the enactment of the No Child Left Behind Act in 2001, further alterations have been made to New Jersey's statewide assessment test for elementary school children in accordance with the mandate to administer annual tests in grades 3 through 8. To comply with the expectation that each state will provide assessments that test students' knowledge in the state's content standards and test cognitive skills in language arts, math and science, New Jersey has begun to develop a comprehensive testing program. As is evident by the following graphs, New Jersey students continue to achieve high levels of proficiency in both language arts and math, and are progressively approaching the federal goal of 100% proficiency. Students are steadily

achieving advanced levels of proficiency, especially in math, with approximately 30% of fourth grade students and nearly 25% of eighth grade students testing at advanced levels.



Social Promotion Initiative

While proficiency levels are on the rise, some students continue to require additional assistance in attaining the skills necessary to pass the statewide assessment tests. Recognizing the importance of identifying these students and developing criteria to determine when a student is ready to be promoted, the Administration has proposed a pilot program that will identify struggling students at an early grade. The program includes identification of students in need of assistance through scores on the third grade assessment test. These students will receive tutoring and summer school programs to provide the assistance needed. The fourth grade test, along with a number of measures including district tests, end-of-the-year assessments, teacher evaluations and classroom work, will be used to determine a student's readiness to move to fifth grade, rather than a high-stakes test alone. The Fiscal 2006 Budget includes \$1.5 million that will be distributed through a competitive grant process to provide funding for reading coaches and summer school.

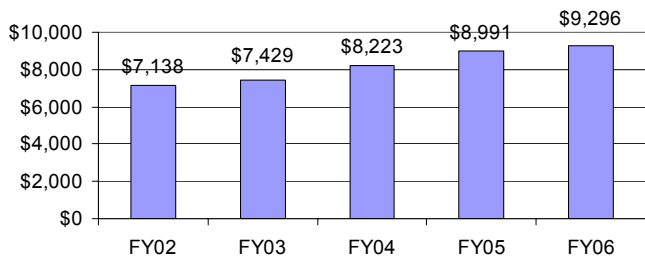
Taxpayer Relief

In fiscal 2006 the State will devote more than 42% of its \$27.4 billion budget to taxpayer relief in various forms. To reduce taxpayers' property tax burden, State funds are provided to school districts, local governments, and directly to taxpayers. In addition, the State provides funding from dedicated sources (for example, from energy tax receipts) and authorizes local governments to charge and retain non-property tax revenues to further reduce the local tax levy.

School Aid

State Aid for school districts is the single largest purpose to which State funds are devoted with a total recommended amount of nearly \$9.3 billion for fiscal 2006, as seen in the accompanying graph. In recognition of the continued high priority given to education, the Fiscal 2006 Budget includes \$7.4 billion in direct aid to local districts.

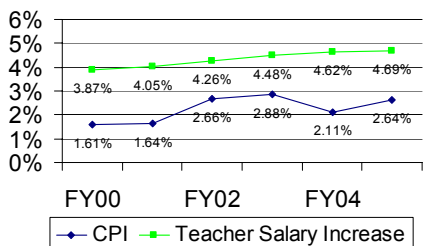
**State Aid for Education
(Includes Pension Contributions)
In Millions**



Fiscal 2006 school aid also includes \$267.8 million for the School Construction and Renovation program and \$119.7 million in School Building Aid. This represents an increase of \$82.2 million over the fiscal 2005 adjusted appropriation for these categories of aid. This funding will provide for State school construction debt service on new and existing bond issues, as well as aid for qualifying local debt issued for school construction.

The Budget provides \$1.5 billion in payments on behalf of local school districts for teachers' retirement benefits and the employer's share of social security payments. This represents an increase of \$211.1 million over the fiscal 2005 adjusted appropriation and shields property taxpayers from shouldering these costs. The large driver in the increased costs associated with these payments is the increase in teacher salaries, which is negotiated locally by each district's school board. The State average increase in teacher salaries has been well above the inflation rate in recent years. For example, as the following chart illustrates, in fiscal 2005, the average increase was 4.69% in comparison to the 2.64% increase in the New Jersey consumer price index.

**Teacher Salary Increases vs.
CPI Increases**



Source: NJ School Board Association

The Fiscal 2006 Budget recommendation for most categories of Direct Aid is at the same level as in fiscal 2005, with reductions largely limited to the elimination of programs added in fiscal 2005. Funding for Abbott districts will grow to \$1.4 billion, an increase of \$49 million over fiscal 2005. These resources will ensure parity and support educational priorities in those districts.

Municipal Aid

Despite the tremendous budget constraints, the proposed Fiscal 2006 Budget increases formula aid to New Jersey's 566 municipalities by 0.1%. Total formula aid of \$1.6 billion reflects a \$753,000 increase in Energy Tax Receipts Property Tax Relief and level funding of Consolidated Municipal Property Tax Relief Aid.

Other formula and non-formula municipal grant programs are funded at a level of \$174 million. Included among these is an increase of \$500,000 for Payments in Lieu of Taxes (PILOT) to municipalities for State and nonprofit preserved open space. Open space PILOT payments to municipalities have grown from \$8 million in fiscal 2004 to \$9 million in the Fiscal 2006 Budget recommendation.

Also continued in fiscal 2006 are two grant programs, totaling \$14 million, which reward towns that streamline their costs and seek to create efficiencies - the Regional Efficiency Development Incentive Grants (REDI) program and the Regional Efficiency Aid Program (REAP):

Regional Efficiency Development Incentive Grants

The Fiscal 2006 Budget continues funding for REDI grants at \$4.2 million. Funding for REDI will be utilized to support the new SHARE program, Sharing Available Resources Efficiently. SHARE grants are available to municipalities, counties and fire and other special districts as well as nonprofit organizations that provide regional coordination of shared services. The SHARE program offers three assistance options: Implementation Assistance, Feasibility Studies and Regional Coordination Grants. Implementation Grants offer State reimbursement to help local government units implement new shared and regional services, and to assist with the consolidation of local units. Feasibility Study Grants assist local units in planning and developing new shared services through feasibility studies. Regional Coordination Grants offer State financial assistance to help local government units and/or public service non-profit organizations study, develop, and implement new shared and regional services.

Regional Efficiency Aid Program

The REAP program rewards towns that have already consolidated services and reduced municipal spending. In fiscal 2006, fourteen municipalities will continue to receive aid under this program, which is budgeted at \$10 million.

The Fiscal 2006 Budget continues level funding for two municipal aid programs new in fiscal 2005, the Municipal Homeland Security Assistance Aid program and the Highlands Protection Fund.

Municipal Homeland Security Assistance Aid

The Municipal Homeland Security Assistance Aid program is funded at \$32 million in fiscal 2006. This program provides aid to municipal police departments to help offset growing and sudden costs associated with homeland security in the absence of federal aid. The grants range from \$25,000 - \$140,000 based on the population of the municipality.

Highlands Protection Fund

Per the provisions of the Highlands Water Protection and Planning Act, P.L.2004, c.120 (C.13:20-19), the Highlands Protection Fund is funded in the Budget at \$12 million. The funding compensates municipalities in the Highlands region for the loss of the developable value of their land due to new Highlands environment protections, provides planning assistance, and provides compensation for Pinelands municipalities. Specifically, the Highlands Protection Fund provides:

- \$2.2 million in municipal Watershed Moratorium Offset Aid;
- \$1.8 million in retroactive property tax stabilization aid to Pinelands municipalities;
- \$2.65 million in incentive planning grants to municipalities in the Highlands planning area that want to accept growth as receiving areas;
- \$1.75 million in grants to enable towns in the Highlands preservation area to bring their municipal plans into compliance with the Highlands Regional Master Plan; and
- \$3.6 million in property tax stabilization aid to Highlands municipalities.

The balance of the recommended fiscal 2006 municipal aid programs and their funding levels are:

- Legislative Initiative Block Grant program at \$34.8 million;
- Extraordinary Aid at \$31 million;
- Special Municipal Aid at \$24.3 million;
- Trenton Capitol City Aid at \$16.5 million;

Other Local Aid

In addition to the school and major municipal aid programs discussed above, the State provides other aid to counties and local government units through direct State Budget assistance and by granting authority to retain tax revenues.

State Assistance Programs

The most significant fiscal 2006 increase for such local aid programs is \$11.1 million for Aid to County Psychiatric Hospitals, which brings total annual State aid for this program to \$104.6 million. Other significant fiscal 2006 increases include Pension Contributions on Behalf of Local Governments (\$4.2 million), County College Aid (\$3.5 million), General Assistance Administration (\$2.2 million), and the Public Library Project Fund (\$1.7 million).

The budget continues level funding for other county-based aid programs, including County Solid Waste Debt Service (\$57.3 million), the County Prosecutor Funding Initiative (\$8.0 million), and County Environmental Health Act administration (\$3.5 million). Continuation funding of \$14.9 million is also provided to counties and municipalities for 911 Service Enhancement.

The following programs were funded in fiscal 2005 on a one-time basis and are therefore discontinued in fiscal 2006: Property Tax Assistance and Community Development (\$88 million), Statewide Livable Communities (\$16 million), Statewide Local Domestic Preparedness – Equipment Grants (\$10 million), Social Service Emergency Grants (\$10 million), the Local Library Grants supplemental program (\$4 million), and Local Tire Management (\$2.3 million). Similarly, the Stormwater Management Grants program, which provided \$12 million over two years to assist local government units in developing federally mandated stormwater management plans, is no longer required in fiscal 2006.

Local Revenue Programs

The state's 37 municipalities with Urban Enterprise Zones continue to benefit from retention of the 3% State sales tax charged within their boundaries. In fiscal 2005, it is estimated that these 37 municipalities will collect and retain \$80 million in sales tax revenues to support Zone development projects. This is expected to grow to \$84 million in fiscal 2006.

In both fiscal 2005 and 2006, municipal governments are expected to retain \$35 million from the hotel tax, up \$28 million from collections of \$7 million in fiscal

2004. This State and local surcharge, which began in 2003, has been adopted by 147 municipalities to date.

Counties have benefited from a record level of county realty transfer fee revenue over the past few years, and this is expected to continue in fiscal 2005 and fiscal 2006. Annual county realty transfer fee is estimated at \$130 million in both years, as compared to \$55 million in fiscal 2003. This increase is the result of both the State-authorized surcharge for public health priority funds, beginning in fiscal 2004, and the strong growth in the state’s real estate sector.

Direct Property Tax Relief

The Fiscal 2006 Budget will continue essential property tax relief programs by providing \$1.1 billion in rebates and State-funded tax deductions to New Jersey property taxpayers.

Homestead Rebates

The fiscal 2006 Homestead Rebate program, funded at \$478.5 million, will continue to provide property tax relief to over 600,000 senior or disabled homeowners and tenants with taxable incomes of \$100,000 or less. Due to severe fiscal constraints, non-seniors and higher income seniors will not be eligible for these rebates in fiscal 2006.

Beginning in fiscal 2005, the NJ SAVER program was folded into the Homestead Rebate program, and rebate amounts were raised significantly. Rebates are based on the amount by which property taxes exceed 5% of the taxpayer’s income, and in fiscal 2006 the maximum rebate will be \$800 for senior homeowners and \$775 for senior tenants. Most seniors with incomes under \$70,000 will receive the maximum rebate amounts.

Senior Freeze

The Budget allocates \$98.4 million for the Senior and Disabled Citizens’ Property Tax Freeze program, which freezes property taxes for low and middle income seniors. This increase of \$25 million (34%) over fiscal 2005 funding is expected to provide rebates to approximately 170,000 seniors in fiscal 2006, at an average check level of \$602. In fiscal 2005, some 150,000 seniors received rebates with checks averaging \$483 each. The Senior Freeze program provides seniors with reimbursement for any property tax increases assessed after a participant joins the program, so the per-person cost of the program increases as local property taxes increase. For fiscal 2006, the program’s income eligibility thresholds have increased by 2.1%, from \$40,028 to \$40,869 if single and from \$49,082 to \$50,113 if married.

Property Tax Deductions

Veterans and qualified senior and disabled residents will continue to receive a \$250 property tax deduction on their local tax bills in fiscal 2006. The State will reimburse municipalities a total of \$109 million for the estimated 407,000 veterans, seniors and disabled residents expected to apply for this deduction in fiscal 2006.

The property tax deduction against State income tax liability will save middle income taxpayers an estimated \$335 million in fiscal 2006. This reflects a reduction of approximately \$85 million due to the proposed exclusion of high income taxpayers from this benefit.

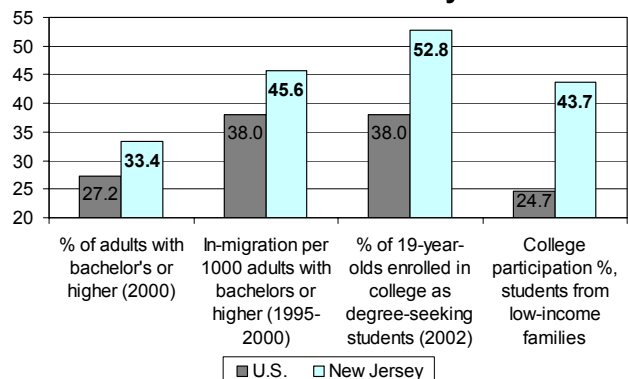
The New Jersey Earned Income Tax Credit (EITC) program provides families with 20% of their federal EITC benefit. In fiscal 2006, this benefit is estimated at \$113 million, of which \$18.4 million will be paid from the federal welfare block grant.

Other Budget Initiatives

Higher Education

One of New Jersey’s greatest strengths is its highly-educated population (see chart entitled “College-Educated Population”). New Jersey ranks 8th in the nation in the percent of adults with a bachelor’s degree or higher, and 4th in the number of individuals with a bachelor’s degree or higher who migrated into the state. We rank 3rd in our children’s “chance for college” – the percentage of 19-year-olds who are enrolled in college as degree-seeking students.

**College-Educated Population
U.S. vs. New Jersey**



Higher education benefits both the individual and society in a variety of ways. According to a study published by the College Board in October 2004, average earnings increase measurably with higher levels

of education across all demographic groups in the United States. Research indicates that the average full-time year-round worker age 25 and older with a bachelor's degree earned \$49,900, 62% more than the average full-time worker with a high school diploma who earned \$30,800. Those with master's degrees earned average salaries of nearly \$60,000. The average approached \$80,000 for individuals with doctorates, while those holding professional degrees averaged more than \$95,000.

According to the College Board, society also benefits as educated individuals are less likely to be unemployed or live in poverty. Research has shown that, in addition to contributing more to tax revenues than others do, adults with higher levels of education are less likely to depend on social safety-net programs, generating decreased demand on public budgets. Higher levels of education also correlate with higher levels of civic participation, including volunteer work, voting, and blood donation.

This Budget provides \$2.05 billion in overall support of the State's higher education system in fiscal 2006, a \$49.4 million, or 2.5%, increase in funding over the fiscal 2005 level.

The State's senior public colleges and universities would receive \$1.42 billion in overall support in fiscal 2006, which is an increase of \$42.6 million, or 3.1%. Direct State support to the institutions declines slightly to \$857.2 million in fiscal 2006. The only reductions in direct State support to higher education are legislative additions that have been discontinued. There are no reductions to base appropriations. This modest decline of 1.9% is offset by a substantial increase in indirect support to the senior public institutions.

This Budget provides an increase of \$41.2 million in indirect support to senior public institutions through the continued payment of the fringe benefits for college and university personnel. In fiscal 2006, the State budget will provide \$541.8 million for these costs.

Funds totaling \$17.8 million will provide a portion of the negotiated cost-of-living increases (COLAs) for State-supported personnel at the senior public institutions.

The Budget also provides \$223.6 million in support of the State's county colleges. The increase of \$3.5 million will fund growing costs for debt service and fringe benefits.

The State's 14 independent colleges and universities will receive \$24 million in direct support during fiscal 2006, the same level of funding as in fiscal 2005. These

institutions serve an important role in providing higher education for more than 24,000 New Jersey residents.

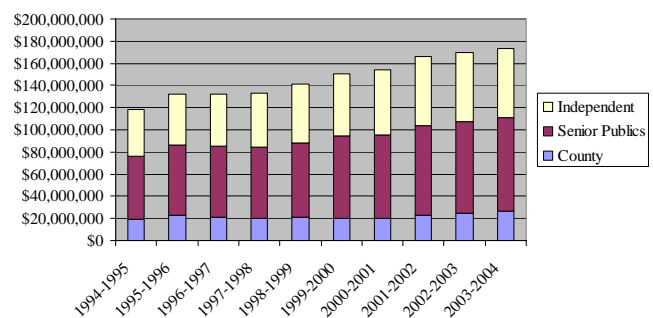
Student Financial Assistance

This Budget provides \$288.1 million for the various student financial assistance programs, including the Tuition Aid Grant programs, Educational Opportunity Fund programs, the NJSTARS program, and the new College Loan Forgiveness for Mental Health Workers program. This is an increase of \$11.0 million, or 4.0%, from the current level.

Tuition Aid Grants

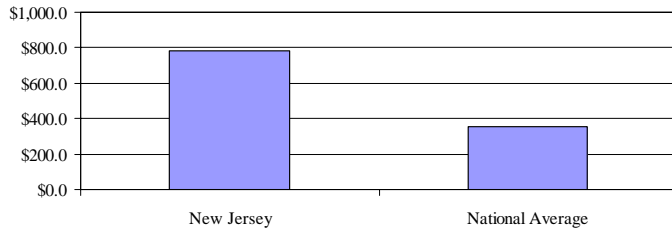
New Jersey's student financial assistance programs are among the strongest in the nation. New Jersey's flagship Tuition Aid Grant (TAG) program provides more than twice the national average grant support per student (see chart entitled "New Jersey's Tuition Aid Grant (TAG) Funding Per Full-Time Equivalent Undergraduate Enrollment Compared to National Average, 2002 – 2003 Academic Year"). According to the Postsecondary Education *OPPORTUNITY* December 2004 research letter, New Jersey ranks first in the nation at 43.7% in college participation rates for students from low income families (see chart entitled "College-Educated Population"); the national average is 24.7%. New Jersey's need-based TAG program generously supports low income students at the State's senior public institutions, independent institutions, and county colleges (see chart entitled "Tuition Aid Grant (TAG) Program Funding, by Sector: Academic Years 1995 – 2004").

Tuition Aid Grant (TAG) Program Funding, by Sector: Academic Years 1995 - 2004



The Budget provides \$211.9 million for the Tuition Aid Grant program for full-time students, an increase of \$9.3 million. This increase will allow 1,000 more students to receive grants in fiscal 2006, and will provide award increases for the majority of students. A total of 54,800 students will receive TAG support during fiscal 2006.

New Jersey's Tuition Aid Grant (TAG) Funding Per Full-Time Equivalent Undergraduate Enrollment Compared to National Average, 2002 - 2003 Academic Year



In addition, this Budget provides \$4.5 million for the Part-Time TAG for County Colleges program that was initiated in fiscal 2004. The \$251,000 increase in the program will support 9,100 recipients in fiscal 2006, 500 more than in fiscal 2005.

New Jersey Educational Opportunity Fund

The New Jersey Educational Opportunity Fund (EOF) was created by law in 1968 to ensure meaningful access to higher education for those who come from backgrounds of economic and educational disadvantage. EOF funding totaling \$37.1 million in fiscal 2006 will assist low-income New Jersey residents who are capable and motivated, but lack adequate preparation for college study, through a variety of programs such as Opportunity Program Grants, Supplementary Education Program Grants, the C. Clyde Ferguson Law Scholarships, and the Martin Luther King Physician-Dentist Scholarships.

NJSTARS

To ensure that New Jersey's most academically talented students are not denied the opportunity to attend college, the NJSTARS (Student Tuition Assistance Reward Scholarship) program was established in fiscal 2005. NJSTARS guarantees that every New Jersey high school student who graduates in the top 20% of his or her high school class and wants to go to a New Jersey community college will have tuition and fees covered for two years. Based on a more accurate projection of expenditures for the program, funding of \$8 million is provided in fiscal 2006 for NJSTARS. There are no changes to program eligibility requirements.

College Loan Forgiveness for Mental Health Workers

This Budget will provide \$3.5 million in fiscal 2006 for a new College Loan Forgiveness Program for Mental Health Workers. This program will forgive \$5,000 annually, and up to \$20,000 over a period of four years, for qualified college graduates who agree to work in a state, county, or state-contracted non-profit mental health or social service facility within the state. This

new program is discussed in more detail in the Mental Health section of the Budget in Brief.

Capital Grants and Facility Support

Finally, the Budget provides \$81.2 million in State debt service support for various bonds issued by the Educational Facilities Authority that have provided more than \$1 billion in capital grants and facilities funding over the past decade for the higher education institutions.

In addition, the State recently increased the total authorization of the County College Capital Projects Fund Act (i.e., the "Chapter 12" program, P.L. 1971, c.12) to \$530 million. The State is supporting debt service costs on \$265 million, or 50%, of the funds under this Act for capital projects throughout the county college system.

Employee Benefits

All State employees and most employees of counties, municipalities, and school districts are members of one of the seven State retirement systems: the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF), the Police and Firemen's Retirement System (PFRS), Consolidated Police and Firemen's Pension Fund, State Police Retirement System (SPRS), Judicial Retirement System (JRS), and Prison Officer's Pension Fund. The law provides that all defined benefit pension plans are subject to actuarial valuation every year and actuarial experience studies every three years.

The recommended amount for State and higher education employee pensions in the Fiscal 2006 Budget totals \$475.7 million, including \$295.3 million of post-retirement medical costs, \$36.5 million of pension contribution costs for PFRS, \$120.7 million of pension contribution costs for the Alternate Benefits Program, \$8.0 million of pension contribution costs for the JRS, and \$12.9 million of pension contribution costs for the SPRS. Also, \$2.2 million is appropriated for pension funds and other specially legislated retirement provisions. Recommended appropriations for debt service payments on the pension obligation bonds for State and higher education employees total \$68.4 million in fiscal 2006.

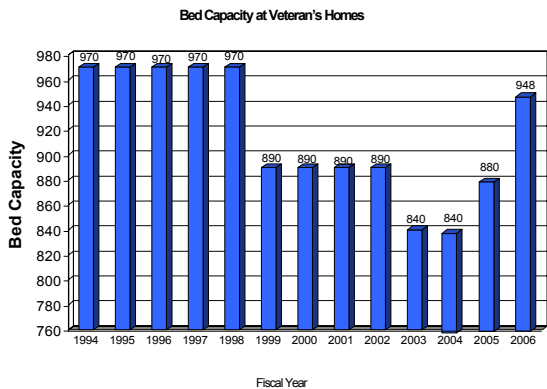
The projected cost for health benefits in the Fiscal 2006 Budget, including medical, prescription drug, dental, and vision coverage for State and college employees is \$1.1 billion. This represents a net increase of \$117.9 million, or approximately 12.1%, above the fiscal 2005 adjusted appropriation of \$973.0 million. This growth is a result of anticipated rate increases for all State

health plans, reflecting continued cost escalation in the health care industry.

Veteran's Programs

The Fiscal 2006 Budget recommends an increase of \$2.1 million to expand capacity at veterans' homes operated by the Department of Military and Veterans' Affairs (MAVA).

Specifically, an additional \$1.7 million is proposed in fiscal 2006 to annualize funding for the operation of a new, state-of-the-art Vineland Veterans' Memorial Home. This facility, which is scheduled to open in the summer of 2005, will provide a rated capacity of 300 beds, an increase of 30% (68) in the number of beds



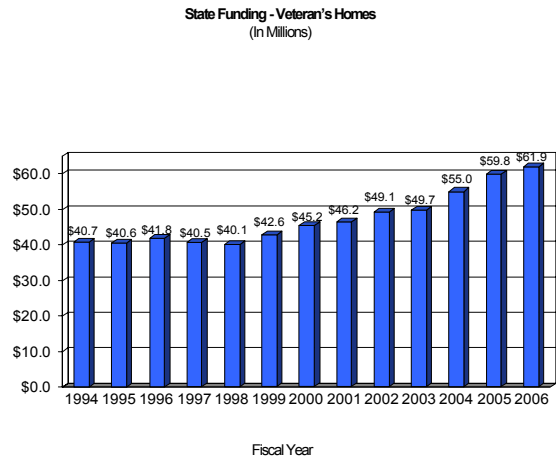
available to our most deserving citizens. (See the attached chart entitled "Bed Capacity at Veteran's Homes" for a 12-year history dating back to fiscal 1994.)

The Old Glory Wing is a Special Needs/Alzheimer's Unit that opened in April 2004. Since then, funding has been increased by \$3.3 million, including an additional \$455,000 recommended in fiscal 2006. The opening of the Old Glory Wing increased the rated capacity of the Menlo Park Veteran's Memorial Home by 15% (40 beds), from the current 272 to 312.

As displayed on the attached chart entitled "Funding for Veterans' Homes", total Direct State Services funding for the three state veterans' homes increased by \$12.2 million or 25% from fiscal 2003 (\$49.7 million) to 2006 (\$61.9 million).

In addition, the Post Traumatic Stress Disorder Grant Program is recommended to receive an additional \$500,000 to address an estimated waiting list of 250 veterans and to extend the length of the program for those who need these services for a longer period of time. This program enables veterans to receive

treatment and therapy trauma disorders related to combat and military service. The recommendation would raise available funding from the existing \$300,000 to \$800,000.



Arts and History

In fiscal 2006, \$27.2 million for arts and history programs will be offset by dedicated revenues derived from the State hotel and motel occupancy fee (P.L. 2003, c. 114). Included are the following:

- The New Jersey Cultural Trust has a fiscal 2006 appropriation of \$720,000, which is the same level of funding as in fiscal 2005.
- The New Jersey Historical Commission is recommended to receive a fiscal 2006 appropriation of \$4.4 million in grants, including \$3.8 million for the New Jersey Historical Commission's agency grants using revenue derived from the State hotel/motel occupancy fee.
- In fiscal 2006, the Council on the Arts will receive a grants appropriation of \$25.1 million. Of this total amount, the \$22.7 million that will support cultural projects is supported by the hotel and motel occupancy fee.

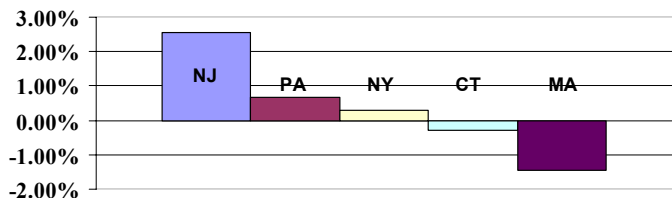
Other related accounts include the Battleship New Jersey Museum, for which an appropriation of \$1.5 million is recommended, and the Office of Faith-Based Initiatives which would receive an appropriation of \$3 million, the same amount as in fiscal 2005.

Economic Development

New Jersey’s fiscal and economic outlook is strong with the state outpacing neighboring states and most of the nation in job creation and business growth. Those gains were helped by investments in economic development initiatives, including the new Business Retention and Relocation Assistance Grants (BRRAGs) and the continuation of the State’s successful Business Employment and Incentive (BEIP) program.

As noted in the attached chart entitled “Regional Job Growth”, New Jersey’s job growth outpaced that of all surrounding states during the period from calendar year 2002 to 2004. Specifically, more than 90,000 jobs were created in New Jersey between December 2002 and December 2004. In fact, New Jersey’s job growth during this period was the fifth highest in the country.

Regional Job Growth
Dec. 2002 - Dec. 2004
 (% Change)



*These numbers represent a preliminary estimate through December 2004

Through January, 2005, New Jersey’s unemployment rate had been below the national rate for 20 consecutive months. This benefit was at least partially attributable to powerful job creation provided by programs such as the Transportation Trust Fund (i.e., \$2.6 billion in projects annually) and the School Construction program.

A key part of New Jersey’s success has been its strategic investment in programs that help spur economic development. The BEIP program remains the State’s best tool for job creation and is among the most innovative incentive programs offered by any state in the country. Last year, BEIP grants totaling \$146 million were awarded for 78 projects that will bring an estimated 11,853 new jobs and \$842 million of investments into the State of New Jersey.

To further expand economic development by helping companies to invest in their own operations and keep New Jersey jobs here, the State also created the \$20

million BRRAG program in Fiscal 2005. New Jersey companies are eligible for new tax credits when seeking to move or consolidate the location of 250 or more jobs. The credits help companies with the capital investment needed to expand and offset the cost of employee relocation.

In December, Pfizer Inc. announced it would invest more than \$500 million and retain 2,070 jobs in expansion plans in Morris Plains and Parsippany following a BRRAG approval. Novartis Pharmaceuticals Corporation, Celgene Corporation and Cadbury Adams USA LLC also agreed to relocate or expand operations after a grant approval.

With the influence of these programs, more New Jerseyans are working than at any other point in state history.

Other measures have expanded opportunities for the growth of science and technology businesses, a key sector in the New Jersey economy.

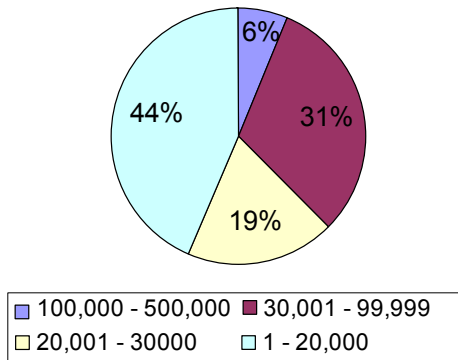
The Waterfront Technology Center at Camden will provide 100,000-square-foot facility has been designed exclusively to accommodate the work of established businesses and startups in the biosciences, microelectronics, advanced materials, information technology and other high-tech and life sciences fields.

Management Efficiencies

Enhanced 911 Consolidation Study

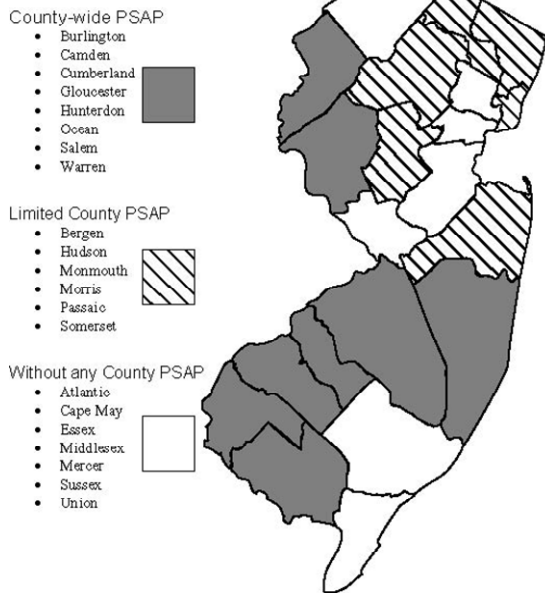
In fiscal 2005, the Legislature authorized a new surcharge of \$.90 per phone line per month to support the cost of upgrading the State’s 911 system to pinpoint the location of wireless emergency calls, as required by federal law. Presently, there are 318 public service answering points (PSAPs) operated by counties and localities across New Jersey, including 206 primary PSAPs and 112 secondary PSAPs for dispatching first responders. Nearly all of these units would require costly upgrades in 911 equipment and technology. These PSAPs range in size from large, county-operated facilities to small units. As depicted in the attached chart entitled “Primary PSAPs by Population Range”, 44% of the existing primary PSAPs are situated in localities with populations of 20,000 or less. From an organizational standpoint, PSAPs are arrayed in several different patterns, with some counties already having consolidated service at the county level while others rely on individual towns or some type of hybrid

**Primary PSAPs by Population Range
(206 Primary PSAPs)**



arrangement. To improve the efficiency of this system and maximize the use of available funding, the Office of Management and Budget (OMB) has commissioned a study by Rutgers University to determine whether a consolidation of PSAPs could reduce costs while still improving the level of service. Results of the study are anticipated during fiscal 2006.

New Jersey PSAPs by Type



Cooperative Purchasing/Strategic Sourcing

The Department of Treasury will secure the services of a consultant to comprehensively analyze the State's existing procurement methods and apply state-of-the-art decision support tools and best practices to realize the best price possible. Purchasing will be scrutinized on a statewide level to verify the amount that is being spent for goods and services and where new opportunities

exist to leverage the State's buying power. This strategic approach to procurement has been adopted by many private sector firms, and other states such as Virginia, Connecticut, Texas, and Missouri are in varying stages of development. When the new system is in place, data will be regularly culled from the State's procurement and accounting systems and compiled into management reports for strategic sourcing. This would include information on possible "piggybacking" opportunities with localities, which often have the same needs as the State for items ranging from rock salt to park playground equipment. Analysis will pinpoint instances where numerous suppliers are providing similar goods, often at varying prices, across State departments. It will also confirm, for the first time, the sheer size of various purchases, and thus provide a powerful tool for negotiating price reductions. And besides leveraging volume, significant cost savings are possible by standardizing purchases, maximizing rebates, managing suppliers, and improving administrative productivity. The ultimate goal is to move away from a fragmented procurement process that fails to take advantage of the market presence that the State and its localities presently command.

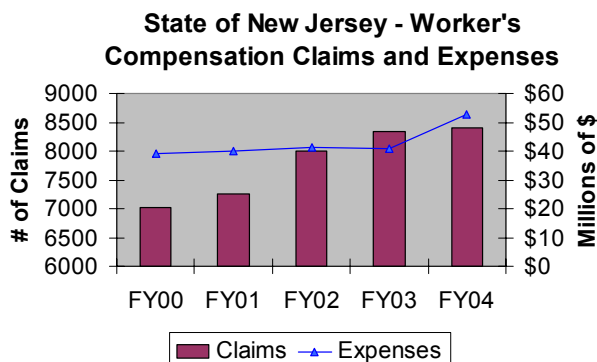
Consolidation of Warehouse/Records Space

Many different State agencies are required to retain records and materials as part of their normal line of business. In the absence of central planning, this has gradually resulted in a haphazard array of costly month-to-month leases in facilities that are often ill-suited for the purpose. Currently, the State is paying approximately \$1.5 million annually to rent 180,000 square feet of warehouse space, and because of the physical inadequacies of these buildings the utilization of space is less than 50% of what is actually leased. Working in cooperation with the Division of Archives and Records Management (DARM) in the Department of State, the Department of Treasury will eliminate seven leased sites for records storage in fiscal 2006. Records that require occasional retrieval will be moved to DARM's State-owned facility while materials that are rarely retrieved will be shifted to private facilities that offer attractive rates for long-term storage. In addition, office furniture will also be consolidated, providing the potential to reduce future expenditures by maximizing the use of existing inventory and increasing revenue from surplus sales. On a net basis, an immediate savings of \$400,000 is anticipated in the Central Rent budget in fiscal 2006, however that amount is expected to grow to over \$800,000 in fiscal 2007 as one-time costs (e.g., moving expenses) are satisfied and the benefits of central control begin to accrue.

Workers Compensation – Risk Advisor

As noted on the attached chart, Workers Compensation claims have risen precipitously in recent years, resulting in significant cost increases. From fiscal 2000 through fiscal 2004, annual claims increased by nearly 1,400 or 20%, and related costs increased by \$13.6 million or 35%, much of which was concentrated in large departments such as Human Services and Corrections which have extensive institutional operations. To help arrest this growth, the Department of Treasury’s Bureau of Risk Management (BRM) plans to secure the services of an experienced Risk Management Advisor. This firm will provide three basic services:

- Critically assess the functions of the Bureau;
- Recommend program improvements to the State Treasurer;
- Prepare an implementation plan and schedule.



Following the completion of the plan, the Department may elect to arrange for a plan administrator to carry out the recommended management initiatives. The goal is to reduce claims, improve early intervention and communication between the Bureau and the departments, streamline the administrative process (i.e., review and processing), identify claims “hotspots”, improve the State’s Back to Work program, and upgrade management reporting. The contract term for the study will be for 90 days, enabling BRM to take quick action on the recommendations during fiscal 2006. In addition, the gainsharing arrangement that was initiated in fiscal 2005 with the largest departmental generators of workers compensation claims will continue in fiscal 2006.

E-CATS – Time Reporting System

Through a unique interagency partnership, the State is gradually expanding the use of the Electronic Cost Accounting and Timesheet System (E-CATS), a web-based system which captures time and leave information

in a more accurate, flexible and detailed manner. To capture and report their time, most State agencies currently use TALRS (Time and Leave Reporting System), an antiquated, 15 year-old system that relies on mainframe technology. Given the TALRS file structure, administrative processing, system maintenance, and the creation of statewide time and leave reports are highly costly and labor intensive. To date, the Departments of Environmental Protection, Transportation, Labor and Workforce Development, and Personnel have adopted the E-CATS system. The system, which may be adapted for the particular administrative needs of each department, currently has additional capacity available and several additional agencies are actively considering the conversion.

Specifically, E-CATS provides the following benefits:

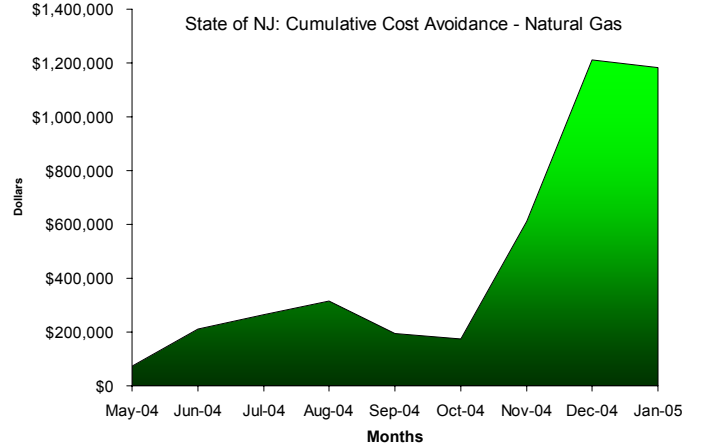
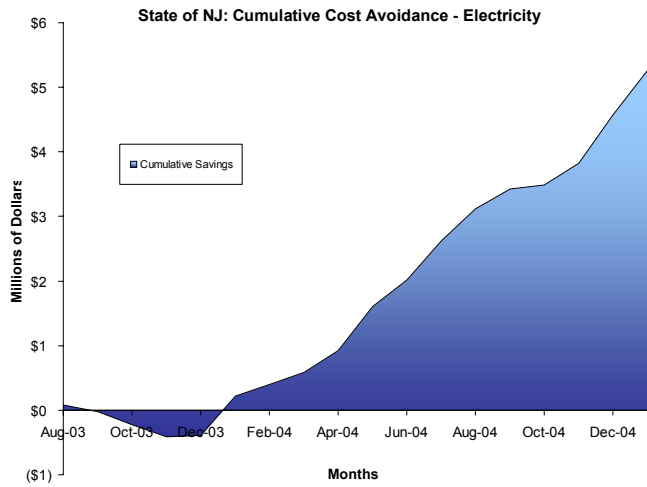
- Reduces system support and maintenance costs by more than 50%;
- Reduces manual processing at the agency level and provides real-time information by automating data reporting to the State payroll system;
- On-line approval of benefit time requests eliminates manual processing and record-keeping;
- Can be customized to accommodate each agency’s needs;
- Can be included in the State data warehouse, providing a full account of salary and non-salary information as well as activity costing;
- Generates statewide time and leave reports in a fraction of a time that is currently needed.

The ultimate goal is to replace the TALRS system entirely. As that occurs, the State should realize savings in mainframe charges, elimination of separate time and leave systems within the departments, printing and staff support costs on a statewide basis.

Local Energy Aggregation

The Acting Governor continues the recent effort to secure legislation that would help localities reduce the cost of energy by voluntarily aggregating in a cooperative bid under the auspices of the State. Under the State’s existing New Jersey Consolidated Energy Savings Program (NJCESP), the State joined with public universities, toll road authorities, and New Jersey Transit in its own cooperative venture, successfully driving down the cost of electricity and natural gas from the levels that each entity would have paid individually. Since its inception in fiscal 2001, the NJCESP has consistently provided cost avoidance or savings and,

perhaps equally important, price certainty in the deregulated energy markets. As noted on the attached charts entitled “State of NJ: Cumulative Cost Avoidance – Electricity/Natural Gas”, the initial segment of NJCESP’s most recent contracts for electricity (i.e., first 18 months) and natural gas (i.e., first 9 months) yielded a cost avoidance totaling \$6 million. Since the current outlook indicates that energy pricing will remain high, additional savings is likely for the immediate future. Legislation is required to extend this benefit to counties, municipalities, and local authorities and commissions.





REVENUE FORECAST AND INITIATIVES

FISCAL 2005 ANTICIPATED REVENUE

The current estimate of \$27.3 billion in total fiscal 2005 revenue is \$304.1 million less than when the Governor certified revenues in June 2004.

The three largest taxes, Gross Income, Sales and Use, and Corporation Business account for about 65% of total State revenues and are now forecast to yield \$17.7 billion. This represents a decrease of \$218.0 million over certified revenues, reflecting the following revisions (+/-) in the estimates for: the Gross Income Tax (+\$200 million), due to strong estimated payment collections in association with the millionaires' tax and more favorable wage growth in the economic assumptions; the Sales Tax (-\$80 million) since year-to-date collections are down, which may reflect the slowing down in business purchase of capital goods due to the end of the acceleration provision in 2004; and the Corporation Business Tax (-\$338 million), based on declining year-to-date collections, which is probably being driven by the phase-in of net operating loss deductions.

The Gross Income Tax forecast for fiscal 2005 is revised up to \$9.1 billion, an increase of \$200 million compared to the June 2004 certified revenue estimate. This represents an increase in growth of 22.4% rather than the 19.7% growth anticipated in June 2004. This was mainly driven by solid double-digit growth of over 48%, compared to the 41% anticipated rate, in year-to-date estimated payments associated with the millionaires' tax and the generally improving stock market conditions. Employer withholdings grew by 8.6% in calendar year 2004, above the 5.3% growth in 2003. The overall momentum of economic recovery during calendar year 2004 when New Jersey added 75,400 jobs along with maintaining a state unemployment rate consistently below the national rate has helped the growth in income tax collections. Fiscal 2005 marks the first time that the Gross Income Tax base revenue will exceed the fiscal 2001 revenue level.

The Sales and Use Tax is estimated to generate \$6.5 billion in fiscal 2005, a 4.6% growth compared to the 5.9% rate originally projected. The estimate was decreased with mixed reports of 2004 holiday sales, reflecting the influence of Internet sales and gift card purchases. Consumer confidence remained mixed in 2004 with the index increasing by only 5 points between

January and December of last year, after an impressive 13 point gain during the same period in 2003.

The Corporation Business Tax (CBT) is estimated to generate \$2.2 billion in fiscal 2005, which is \$338 million below the original estimate of \$2.5 billion. The downward revision in the CBT estimate is in line with the declining year-to-date collections trend. The phase in of the net operating loss deductions, which began in 2004, and the presence of alternative minimum assessment credits against CBT liability are forces offsetting any growth potential in CBT revenues due to business recovery.

FISCAL 2006 REVENUE PROJECTIONS

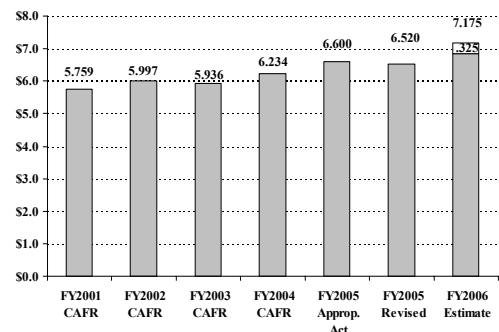
Total revenues for fiscal 2006 are expected to be \$27.4 billion, \$116.4 million above the revised fiscal 2005 anticipation, and include new revenue actions of \$1.3 billion. Revenues are expected to grow moderately in fiscal 2006 as the economic recovery nationwide and in New Jersey continues to firm up. Absent any of the revenue actions that have been proposed by the Acting Governor, base revenue for fiscal 2006 would have been only \$26.1 billion which is \$1.2 billion less than the total revenue in the current budget.

Sales Tax

The forecast of \$7.2 billion for fiscal 2006 Sales Tax revenues is an increase of \$655 million, which includes \$275 million for Sales Tax Modernization and \$50 million for Urban Enterprise Zone Sales. The basic underlying growth of 5.1%, compared to the revised fiscal 2005 revenues is an improvement, reflecting consistent strength in the underlying economic fundamentals. With an improving outlook for payroll employment and personal income growth, consumer

SALES TAX

(In Billions)



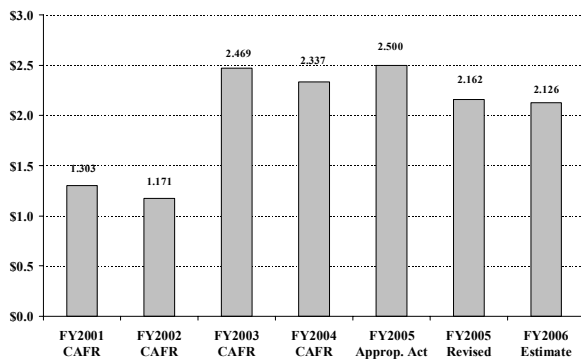
FY06 includes \$325 million in initiatives.

confidence and spending should keep growing at a moderate pace in 2006.

Corporation Business Tax

The fiscal 2006 CBT revenue forecast of \$2.1 billion represents a decrease of \$36 million (or 1.7%), compared with revised fiscal 2005. This downward revision assumes an increase in estimated net operating loss deductions as the phase-in is completed. Growth in refunds of 15% is also assumed in fiscal 2006.

CORPORATE BUSINESS TAX (In Billions)

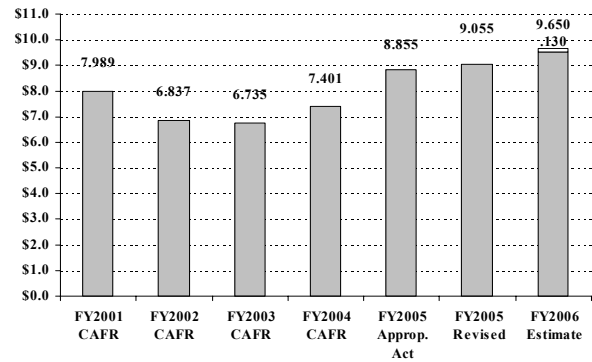


CBT excludes Energy

Gross Income Tax

The fiscal 2006 forecast of \$9.7 billion is an increase of \$595 million, including \$130 million in new initiatives. The basic underlying growth of 5.1% over revised fiscal 2005 is a reflection of the continuation of the economic turnaround that started in 2003. New Jersey Total Income, which is the tax base, is expected to increase by 5.7% in 2004, one percentage point above the year ago pace. In 2005 and 2006, the tax base is projected to grow at 6.2% and 5.9%, respectively. The growth in income for households reporting over \$100,000 in total income is expected to rebound at a 7.8% average annual rate (2003-2005) after declining at a -6.3% average annual rate during the 2001-2002 recessionary period.

GROSS INCOME TAX (In Billions)



FY06 includes \$130 million in initiatives.

REVENUE ENHANCEMENTS

Descriptions of the major revenue enhancements proposed in the Fiscal 2006 Budget are listed below.

Asset Sales (\$500 million)

While revenue growth and spending restraints will provide significant budget relief in fiscal 2006, additional steps are necessary to bolster State revenues and close a multi-billion dollar shortfall. Just as a business does in strained budgetary circumstances, the State will examine all of its assets to determine which are still useful and productive and which assets could be sold. The State currently has \$19.4 billion in assets, including buildings, infrastructure, and land. The Fiscal 2006 Budget anticipates that various actions such as the actual sale or transfer of assets to other private entities will generate \$500 million.

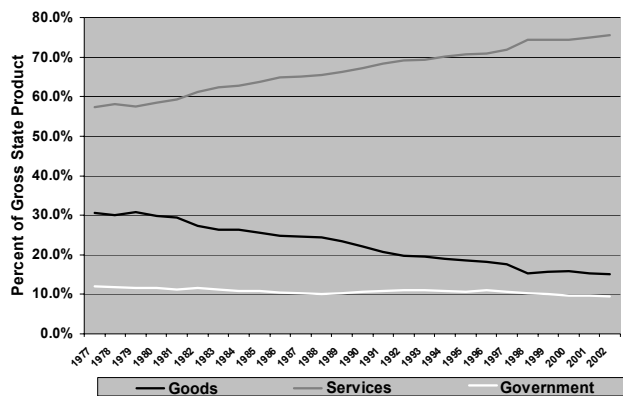
Sales Tax Modernization (\$275 million)

The Fiscal 2006 Budget proposes to modify the State sales tax to provide a more equitable tax treatment of similar products and to recognize the erosion of the sales tax base due to the impact of technology and a movement to a service economy. The proposed changes are projected to generate \$275 million in new revenue in fiscal 2006.

Since the enactment of the Sales and Use Tax Act in 1966, the nature of the State's economy has changed dramatically. Reflecting similar trends across the country, the New Jersey economy is now largely service-based. The production of goods, which formed the original foundation for the sales tax, has long since shrunk as a percentage of the economy due in large part to the gradual decline in the manufacturing sector.

This point is clearly outlined in the attached chart entitled "Gross New Jersey State Product by Industry, 1977-2002". As a percent of the total State economy, the service sector increased by 18 percentage points, from 57% in 1977 to 75% in 2002, while the manufacturing sector declined by 15 percentage points, from 30% to 15% during those years.

**Gross New Jersey State Product by Industry
1977-2002**



The rapid absorption of new technology in society has also given rise to an inequitable and inconsistent application of the sales tax. Simply, similar products are now treated much differently in a tax sense. The revenue fallout associated with these inequities has been exacerbated by the enactment of 52 sales tax exemptions.

In general, there has been relatively little expansion of the sales tax base despite fundamental changes to the underlying economy. Since the sales tax represents nearly one-quarter of the revenue used to support the State Budget (and 40% of the annual amount raised by major taxes and fees), this phenomenon is key to understanding New Jersey's ongoing structural problem. Specifically, while normal increases in population have placed greater demands on State services, the mounting, inflation-driven costs to satisfy these needs have outstripped the growth of New Jersey's primary revenue resources.

As part of the budget process, the Acting Governor proposes that an existing entity, possibly the Sales Tax

Review Commission, analyze the changes in the revenue base since 1966 as well as the effect that new technology and the shift to a service economy has had on the potential for future revenue and inequity in the treatment of similar products and services. Based on this review, recommendations will be made for changes to the sales tax law. Possible items that could be subject to tax under these reforms include shipping and handling, limousine services, luxury box rentals, charter airplane services, tanning, massages, and landscaping.

Video Lottery Terminals (\$150 million)

The Video Lottery Terminal Program represents a continuing revenue source that may generate \$150 million in additional State revenue in fiscal 2006 alone, when only 6 months of revenues are expected. A temporary facility will be established in the Meadowlands in early 2006.

Property Tax Deduction Change (\$85 million)

The existing property tax deduction for those taxpayers with income above \$200,000 will be discontinued due to budgetary constraints. As a matter of tax equity, Homestead Rebates for non-senior taxpayers earning less than \$200,000 served to offset the disproportionate benefit of the property tax deduction enjoyed by high income earners. As the Fiscal 2006 Budget proposal would suspend Homestead Rebates for non-seniors, discontinuing the property tax deduction benefit for high income New Jerseyans would maintain a measure of equity among these brackets of taxpayers. Over 1.28 million taxpayers will still be able to fully deduct their property taxes. This change, which will only impact 9.4% of those taxpayers that currently claim the deduction, will increase income tax revenues by a projected \$85 million.

Pension Exclusion Change (\$45 million)

The exclusion for up to \$20,000 in retirement income for taxpayers with over \$100,000 in income will be eliminated. Over 113,600 taxpayers will still be able to exclude this income. The change will only impact 5.7% of those taxpayers that currently use the exclusion. This change will increase income tax revenues by an estimated \$45 million.

Cable Industry – Equity Fee (\$50 million)

A 2% gross receipts tax on the cable television industry is proposed for fiscal 2006. This tax will be structured to achieve equity in consumer services offered by the telecommunications industry, which is currently subject to a patchwork of taxes that have evolved over many years.

Urban Enterprise Zone Sales (\$50 million)

The State's Urban Enterprise Zone program, which was created in 1983, has successfully enabled local governments to revive dormant areas by providing a key economic stimulus. Specifically, the State sales tax is lowered within the zones from 6% to 3% and retained by the affected locality. The program now operates 32 zones in 37 municipalities, employing 155,000 people in the 7,750 businesses that participate. Collectively, the program generates more than \$18 billion in private investment. Over the past 20 years, 1,629 economic development projects totaling nearly \$525 million in Zone Assistance funds have been approved for implementation.

The Urban Enterprise Zones (UEZ) Act also allows businesses that satisfy the related statutory qualifications to make tax exempt purchases for exclusive use or consumption within the zone. In some cases, however, businesses are granted temporary status and make tax-free purchases but never comply with the statutory qualifications. Others make large, tax-free purchases and then leave the program or the zone itself, taking the assets with them.

From 1995 through 2004, the State has foregone a total of \$869 million in revenue from this provision. In fiscal 2006, it is estimated that this loophole will reduce potential revenue to the State by at least \$100 million.

The Fiscal 2006 Budget proposes to reduce this revenue loss through the following changes:

- Lower the UEZ purchase exemption from 6% to 3%;
- Require businesses to pay the full 6% tax upfront and apply to the Division of Taxation for a rebate of 3%;
- Require businesses to repay a portion of the lost revenue if they fail to meet the statutory qualifications or leave the UEZ program.

These changes will yield an estimated \$50 million in additional sales tax revenue for the Fiscal 2006 Budget.

It is important to note that these changes will not affect the municipalities' receipt of revenue from the existing 3% sales tax in any way. That revenue stream, which totals approximately \$62 million per year, will continue unabated.

Simplified Sales Tax Implementation/Amnesty (\$40 million)

Consistent with the effort of over 40 other states, it is proposed that New Jersey enact legislation establishing a simplified, streamlined sales tax structure that provides numerous benefits for both the State and the business community. The agreement includes a one year voluntary amnesty, beginning with the date that New Jersey formally joins the multi-state compact, for companies that have nexus in New Jersey but are not yet registered. Based on prior studies, this initiative is expected to generate \$40 million in new revenue in fiscal 2006.

Transfer Inheritance Tax (\$25 million)

The Fiscal 2006 Budget proposes changes in the estate tax that will generate \$25 million. These changes will be confined to those taxpayers that have received the most benefit under the federal tax changes.

Realty Transfer (\$25 million)

The Fiscal 2006 Budget proposes an increase in the realty transfer fee rate structure that adds approximately \$25 million in new revenue. The new rates will affect realty sales exempted from the fiscal 2005 fee increase. For fiscal 2005, P.L.2004, c.66, introduced a new realty transfer "general purpose" fee for all realty sales valued at \$350,000 and over, exempting sales less than \$350,000. This Budget proposes to extend that general purpose fee to sales between \$150,000 and \$350,000. Realty sales less than \$150,000 would continue to be exempt from the general purpose fee.

Specifically, the proposed fiscal 2006 rate increase would extend a general purpose fee of \$0.75/\$500 of sale value for the first \$150,000 of sale price on realty ranging from \$150,000 - \$350,000, \$0.90/\$500 of sale value for the next \$50,000 of such sales, and \$0.85/\$500 of sale value for the last \$150,000 of such sales. This proposed rate structure is less than the current general purpose fee structure for sales of \$350,000 or more.

Realty transfer fees have several components. Portions of realty transfer fees are retained by counties, portions support the Neighborhood Preservation Fair Housing Fund and the Shore Protection Fund, and a portion, including the general purpose fee component, is deposited in the General Fund. Currently, a \$250,000 home sale pays about \$1,300 total in realty transfer fees. A \$500,000 home sale pays nearly \$4,200 in total realty transfer fees. The proposed fiscal 2006 change would increase the fees paid on the \$250,000 home by \$400, to

\$1,700. It would have no impact on the \$500,000 sale, or on any sales \$350,000 and higher.

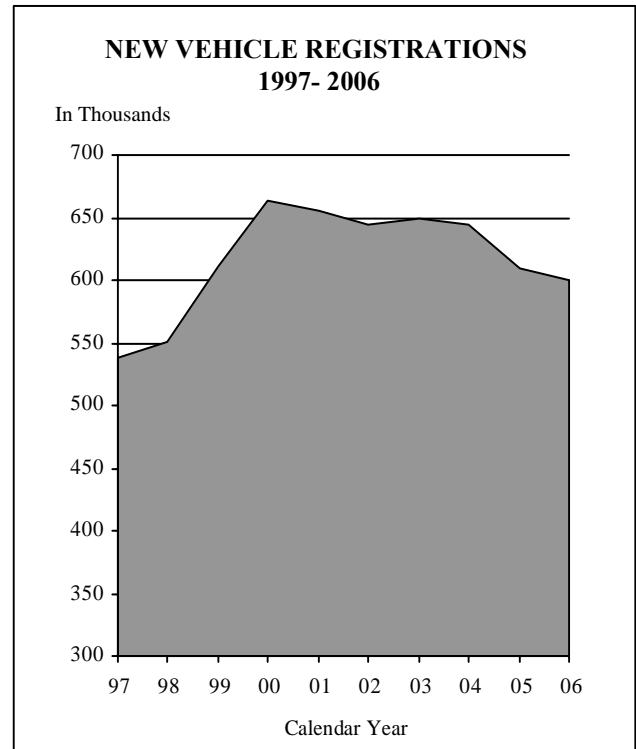
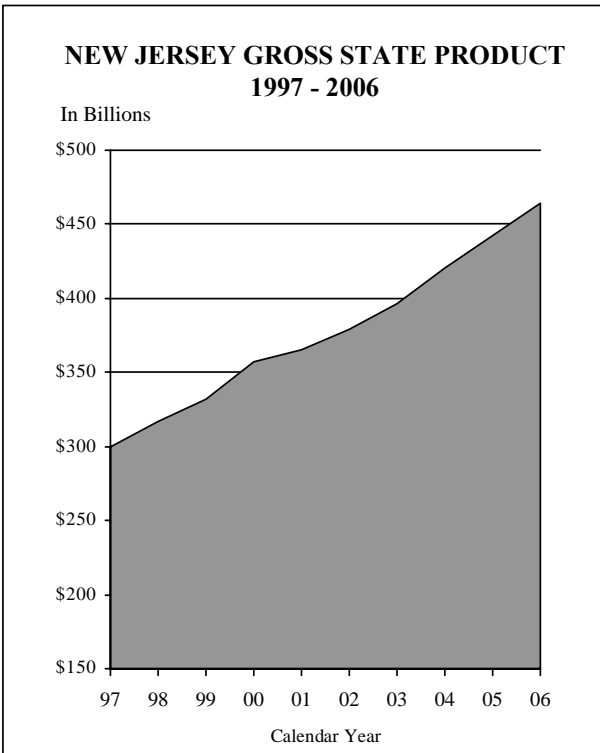
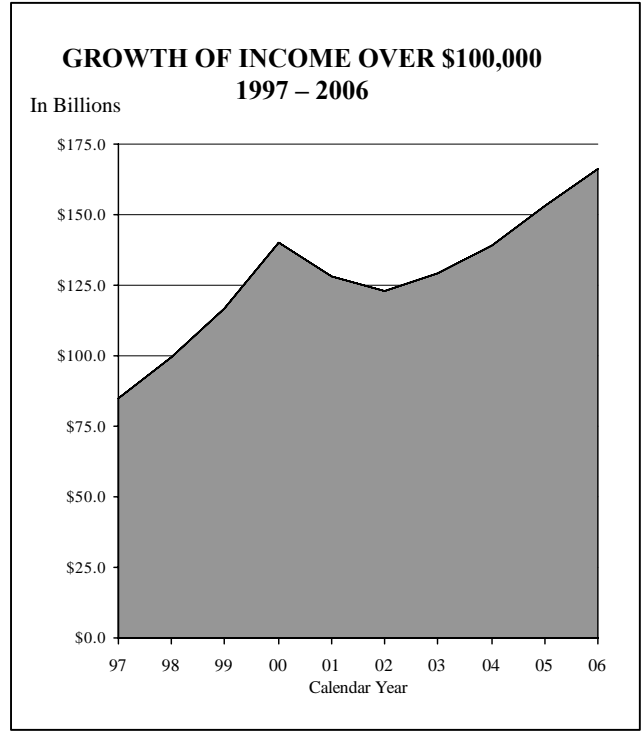
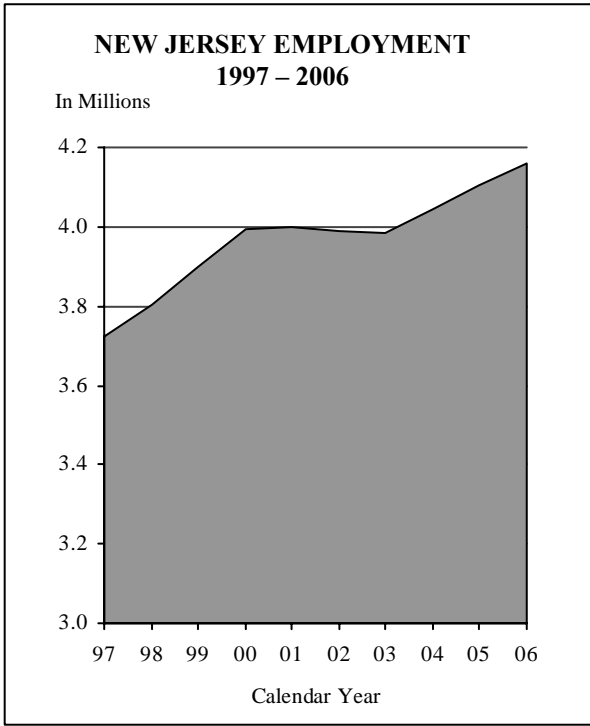
Fines Amnesty (\$15 million)

Similar to the successful tax amnesty program in 2002, the Fiscal 2006 Budget assumes \$15 million from an amnesty program for delinquent fines, fees and

assessments. Individuals and business have significant balances due to the State for various fees, fines and assessments throughout all departments of State government. This amnesty program will allow for the waiving of interest for those delinquent individual and businesses that satisfy their obligations during a certain time period.

Economic Growth

(1997 – 2006)



Revenues

FY 2005

(In Millions)

| | FY2005 Approp. Act Revenues | FY2005 Adjusted Revenues | Change | |
|--------------|--|---|------------------------|----------|
| | | | \$ | % |
| Income | \$ 8,855 | \$ 9,055 | \$ 200 | 2.3 |
| Sales | 6,600 | 6,520 | (80) | (1.2) |
| Corporate | 2,500 | 2,162 | (338) | (13.5) |
| Other* | <u>9,646</u> | <u>9,560</u> | <u>(86)</u> | (0.9) |
| Total | <u>\$ 27,601</u> | <u>\$ 27,297</u> | <u>\$ (304)</u> | (1.1) |

* Includes CBT - Energy

FY 2005 Supplemental Appropriations

(In Thousands)

| | |
|---|-------------------|
| Additional Abbott v. Burke Aid | \$ 102,052 |
| Employer Taxes | 37,649 |
| Salary Increases for Recently Negotiated FOP and State Police Contracts | 24,580 |
| Community Care Waiver-Federal Shortfall | 20,103 |
| Rental Assistance Program | 15,000 |
| General Assistance Caseload Increase | 14,046 |
| Snow Removal | 13,402 |
| State Police Recruit Class and Radio System Upgrades | 10,000 |
| Advertising to Enhance Lottery Revenues | 8,809 |
| Federal IV-E Disallowance | 8,000 |
| Workers Compensation Claims | 8,000 |
| DYFS Residential Increase | 6,600 |
| Cancer Institute of New Jersey | 6,000 |
| Senior Tax Freeze | 6,000 |
| Additional School Aid | 5,700 |
| AIDS Treatment | 5,000 |
| Tort Claims Payments | 5,000 |
| Extended Polling Hours | 3,300 |
| Primary/Comprehensive Stroke Centers | 3,000 |
| Statewide Cord Blood Bank | 2,500 |
| Brisbane Child Treatment Bridge Fund | 2,437 |
| Increased Permitting and Enforcement for Highlands | 2,166 |
| Election Law Enforcement Commission Oversight | 2,000 |
| Camden Economic Recovery | 1,500 |
| Other Supplementals | 60,324 |
| | <u>\$ 373,168</u> |

The Fiscal 2006 Budget

(In Millions)

| | FY2005 Adjusted Approp. | FY2006 Budget | % Change |
|-----------------------------|--|--------------------------|---------------------|
| Opening Surplus | \$ 863 | \$ 400 | (53.7) |
| Revenues | | | |
| Income | | | |
| Base | 9,055 | 9,520 | 5.1 |
| Initiatives | | 130 | |
| Sales | | | |
| Base | 6,520 | 6,850 | 5.1 |
| Initiatives | | 325 | |
| Corporate | 2,162 | 2,126 | (1.7) |
| Other | | | |
| Base | 9,560 | 7,654 | (19.9) |
| Initiatives | - | 808 | |
| Total Revenues | <u>\$ 27,297</u> | <u>\$ 27,413</u> | 0.4 |
| Lapses | <u>640</u> | | |
| Total Resources | <u>\$ 28,800</u> | <u>\$ 27,813</u> | (3.4) |
| Appropriations | | | |
| Original | \$28,027 | \$27,413 | (2.2) |
| Supplemental | <u>373</u> | | |
| Total Appropriations | <u>\$28,400</u> | <u>\$27,413</u> | (3.5) |
| Fund Balance | <u>\$ 400</u> | <u>\$ 400</u> | |

Revenues

FY2006

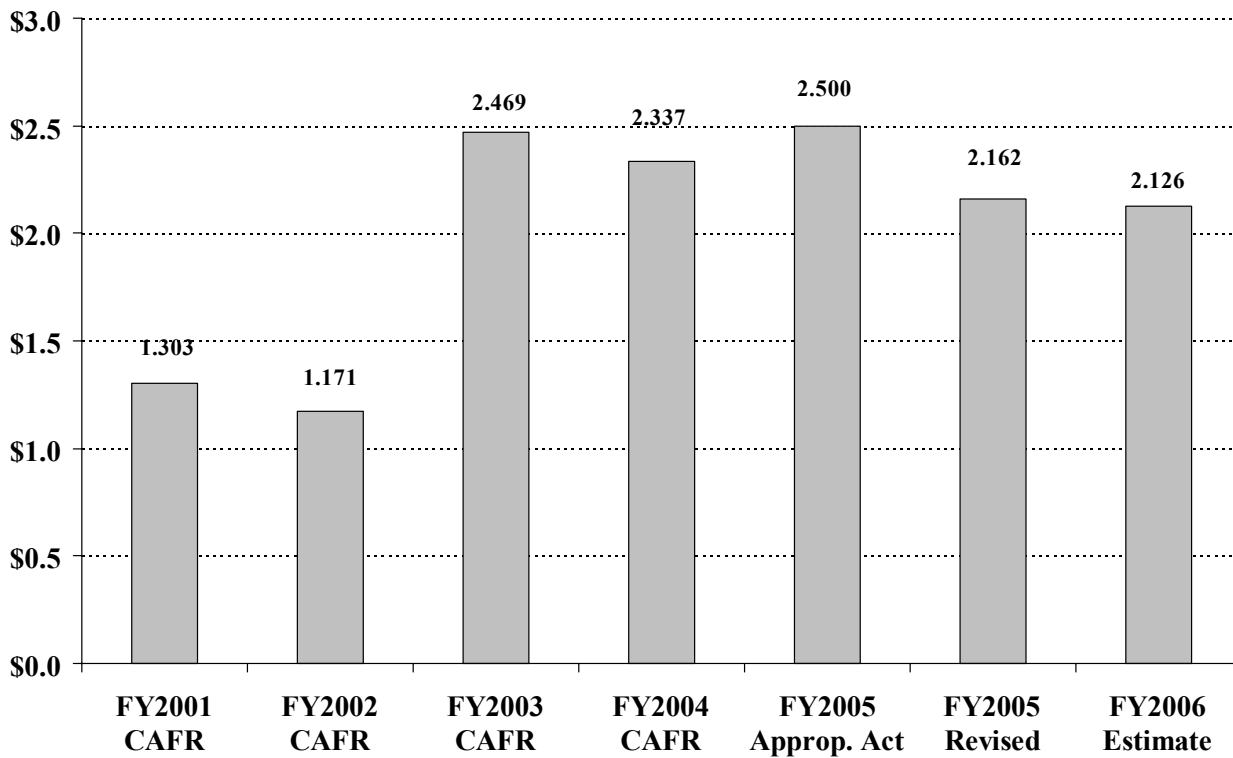
(In Millions)

| | FY2005 | | Change | |
|--------------|-------------------------|-------------------------|----------------------|-------------------|
| | Adjusted | FY2006 | | |
| | Revenues | Revenues | \$ | % |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Income | | | | |
| Base | \$ 9,055 | \$ 9,520 | \$ 465 | 5.1 |
| Initiatives | | 130 | 130 | |
| Sales | | | | |
| Base | 6,520 | 6,850 | 330 | 5.1 |
| Initiatives | | 325 | 325 | |
| Corporate | 2,162 | 2,126 | (36) | (1.7) |
| Other* | | | | |
| Base | 9,560 | 7,654 | (1,906) | (19.9) |
| Initiatives | <u> </u> | <u> </u> | <u> </u> | |
| | | 808 | 808 | |
| Total | <u>\$ 27,297</u> | <u>\$ 27,413</u> | <u>\$ 116</u> | 0.4 |

* Includes CBT - Energy

CORPORATE BUSINESS TAX

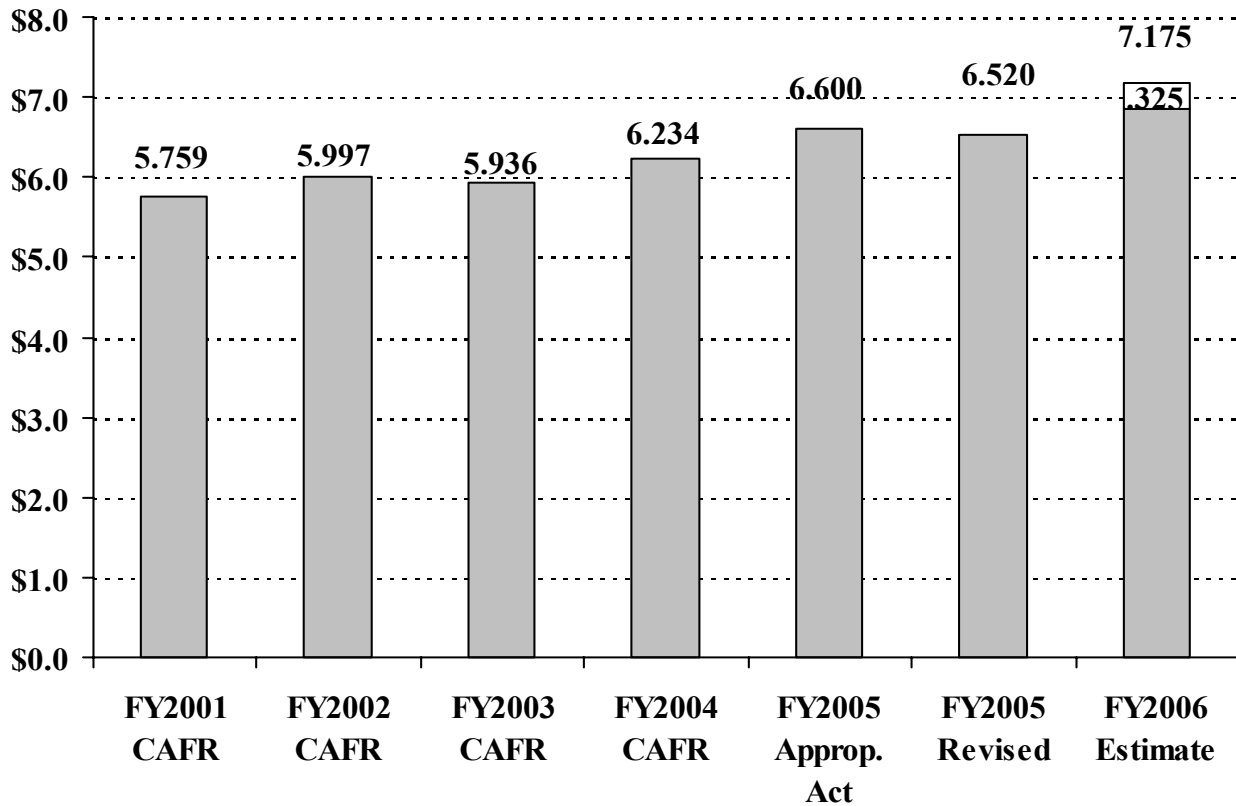
(In Billions)



CBT excludes Energy

SALES TAX

(In Billions)

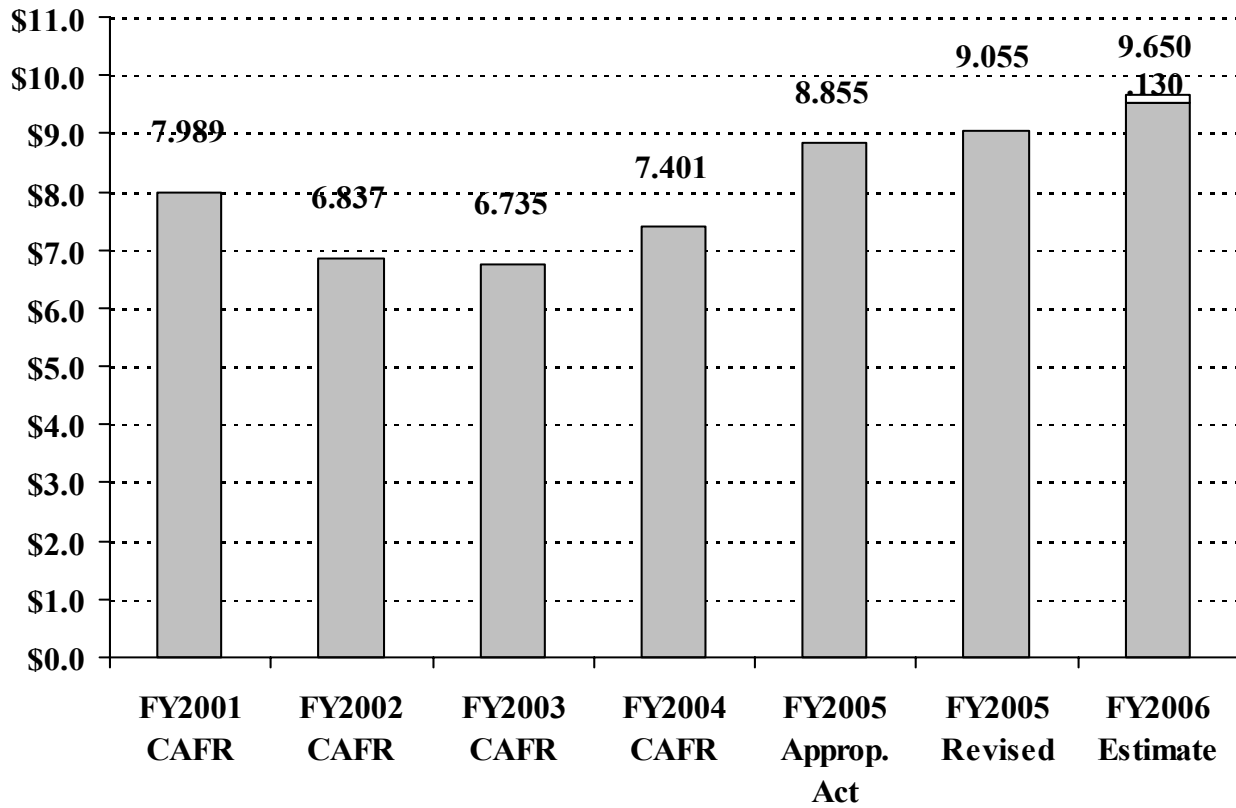


FY06 includes \$325 million in initiatives.

Sales excludes Energy

GROSS INCOME TAX

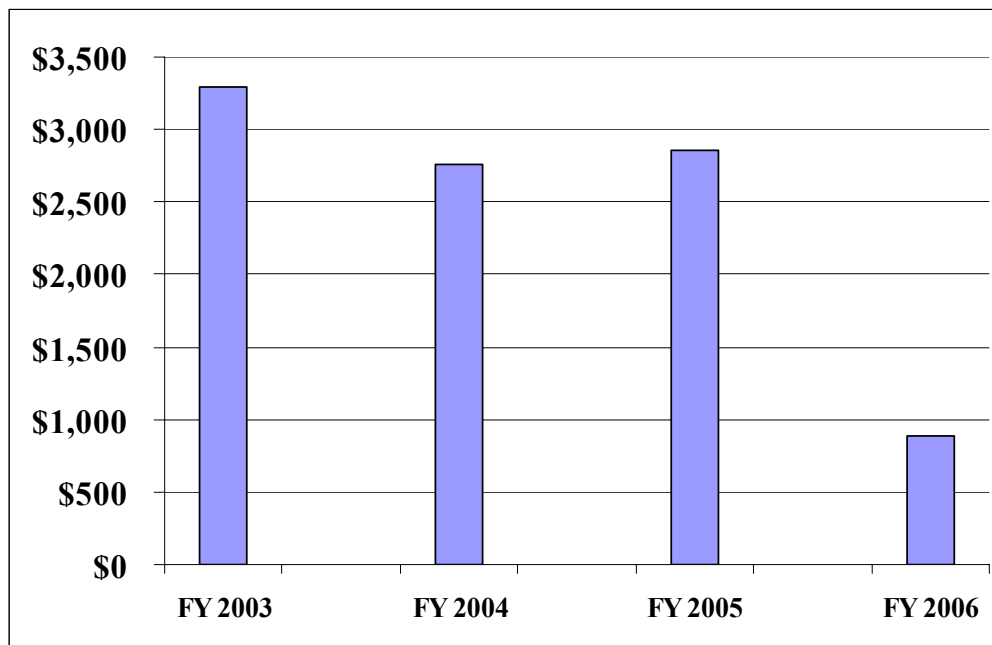
(In Billions)



FY06 includes \$130 million in initiatives.

Nonrecurring Resources Down by 70%

(In Millions)



Based on planned revenue actions.

Nonrecurring Resources Down by 70%

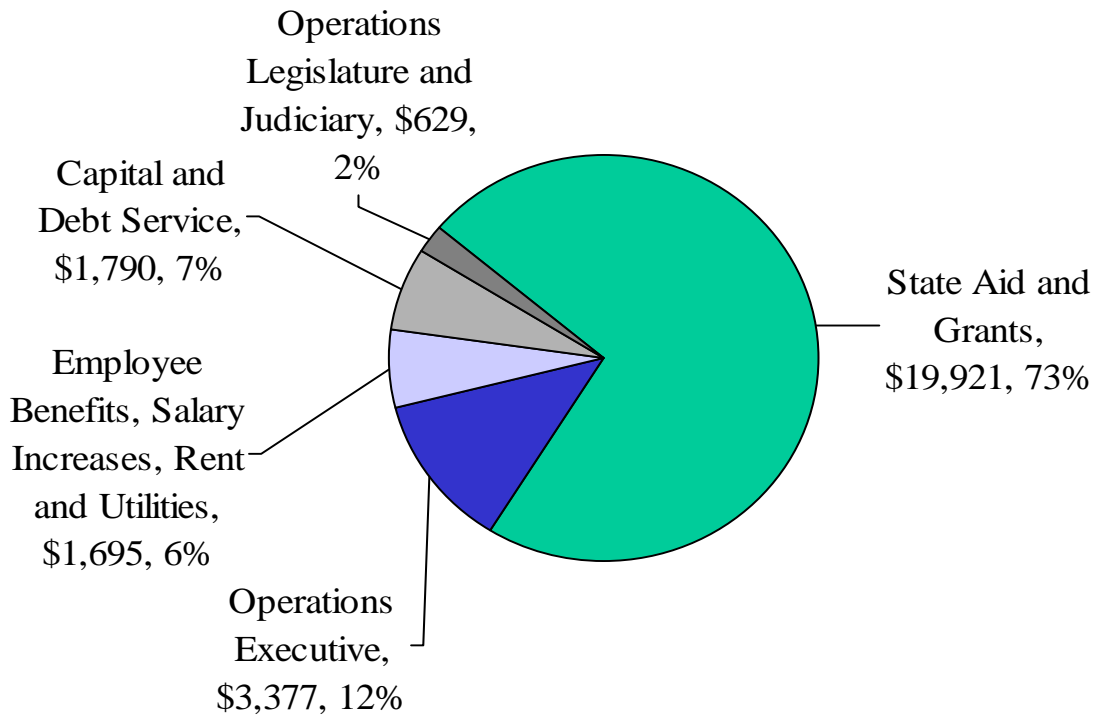
(In Millions)

| | <u>FY 2003</u> | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|--|----------------|----------------|----------------|----------------|
| Tobacco Securitization | \$1,557 | \$1,612 | \$- | \$- |
| Cigarette/MV Surcharge Securitizations | - | - | 1,930 | - |
| General Fund Surplus | 15 | - | 463 | - |
| Unemployment Insurance Fund | 325 | 325 | 100 | 250 |
| Millionaires' Tax - Retroactive Impact | - | - | 156 | - |
| Federal Stimulus | 106 | 433 | - | - |
| PAAD Waiver | 147 | 148 | - | - |
| PAAD Rebate Receivable | - | - | - | 50 |
| CBT Revenue | 651 | - | - | - |
| HMO Tax | - | - | 55 | - |
| Car Registration Acceleration | - | - | 16 | 22 |
| Unclaimed Property | 100 | - | - | - |
| State Disability Fund | - | 30 | 110 | - |
| Securities Enforcement Collections | - | 10 | 2 | - |
| Real Estate Guarantee | - | 1 | - | - |
| NJ Redevelopment Authority | - | 9 | - | - |
| Hotel Revenue-State Share | - | 25 | - | - |
| Asset Sales | - | - | - | 500 |
| Fines Amnesty | - | - | - | 15 |
| AIDS Drug Distribution Program Receivable | - | - | - | 6 |
| Miscellaneous Revenue-Human Services | - | - | - | 4 |
| Economic Development Authority | - | 30 | 2 | 2 |
| Toll Road Revenue TTF | 22 | 22 | - | - |
| Catastrophic Illness in Children Relief Fund | - | 4 | - | - |
| Drug Enforcement Demand Reduction | 4 | 3 | 1 | 2 |
| Educational Facilities Authority | - | - | 2 | - |
| Federal TANF Balances | 70 | 86 | 18 | 18 |
| VOI/TIS Federal Funds | 12 | 13 | - | - |
| Cash Management Fund | 20 | - | - | 12 |
| Free Public Schools | 25 | - | - | - |
| Meadowlands Commission | 62 | - | - | - |
| Sanitary Landfill Contingency | 6 | 6 | - | - |
| Second Injury Fund | 20 | - | - | - |
| Surplus Lines | 43 | - | - | - |
| UMDNJ Self Insurance Fund | 77 | - | - | - |
| UEZ Balances | 37 | - | - | - |
| Tobacco Settlement Fund | - | - | - | 10 |
| Mutual Workers' Compensation Fund | - | - | 5 | - |
| Total | <u>\$3,299</u> | <u>\$2,757</u> | <u>\$2,860</u> | <u>\$891</u> |

Based on planned revenue actions.

Where Does the Money Go – State Aid and Grants Represent 73% of Budget

(In Millions)



\$.73 cents of every dollar goes to Property Tax Relief and Grants in Aid

Mandated Growth

(In Thousands)

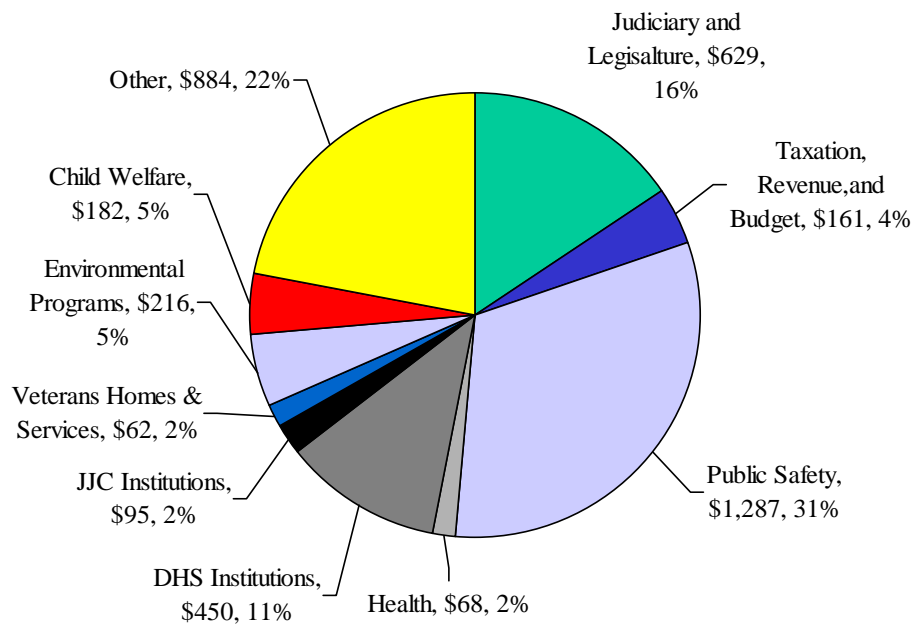
| | |
|---|--------------------|
| Medicaid Including Long-Term Care | \$289,028 |
| Salary Increases State Employees | 140,124 |
| State Employees' Active and Retirees Health Benefits | 110,597 |
| Teachers' Pension and Annuity Fund | 94,516 |
| Local Teachers' Post Retirement Medical | 94,444 |
| Child Welfare Reform/DYFS | 93,780 |
| School Construction and Renovation | 83,789 |
| Family Development Block Grant - State Supplement | 52,551 |
| Education Opportunity Aid (Abbott Districts) | 49,029 |
| College Employees' Active and Retirees Health Benefits | 40,369 |
| General Assistance and Supplemental Security Income Administration and Caseload | 36,817 |
| Teacher Social Security | 31,000 |
| Mental Health Community Care Growth | 26,800 |
| Senior/Disabled Citizens' Property Tax Freeze | 25,000 |
| Pensions State Employees | 20,028 |
| Salaries Higher Education | 17,773 |
| BEIP Debt Service | 13,992 |
| Pension Bond Debt Service | 13,508 |
| Education Cash Flow Payment | 12,050 |
| County Psychiatric Hospitals | 11,065 |
| Abbott Preschool Enrollment Increase | 10,000 |
| Tuition Aid Grants | 9,585 |
| Annualized Costs of Developmental Disabilities Waiting List and Institutions | 9,516 |
| Casino Revenue Dedication for Transportation | 9,065 |
| Prisoner Health Care | 7,535 |
| Statewide Assessment Program | 7,000 |
| Pensions Colleges | 6,011 |
| Workers' Compensation | 5,600 |
| Brisbane Bridge Fund | 5,543 |
| Annualized Cost of Trooper Classes and Salaries | 5,364 |
| Medicaid Fiscal Agent | 4,000 |
| State Employer Taxes | 3,434 |
| Early Intervention Program | 3,000 |
| Greystone Annualized | 2,600 |
| Pool Attorney Rate Increase Annualized | 2,600 |
| Annualized Cost of Opening Old Glory and Vineland | 2,130 |
| Pensions Local Police and Fire | 1,989 |
| Drug Court Annualized | 1,700 |
| Local Police and Fire Post Retirement Medical | 1,469 |
| Other | 5,052 |
| Total | <u>\$1,359,453</u> |

Total Direct State Services
By Department
(In Thousands)

| Department | FY2005 | FY2005 | FY2006 | Change | |
|------------------------------------|---------------------|------------------------|------------------------|---------------------|--------------|
| | Appropriation | Adjusted Appropriation | Current Recommendation | \$ | % |
| Base Operations | | | | | |
| Chief Executive | \$ 5,267 | \$ 5,537 | \$ 4,972 | \$ (565) | -10.2% |
| Agriculture | 9,123 | 9,513 | 9,415 | (98) | -1.0% |
| Banking and Insurance | 66,703 | 68,837 | 67,837 | (1,000) | -1.5% |
| Community Affairs | 35,581 | 37,356 | 36,491 | (865) | -2.3% |
| Corrections | 724,438 | 761,746 | 763,298 | 1,552 | 0.2% |
| Education | 42,934 | 46,981 | 46,149 | (832) | -1.8% |
| Environmental Protection | 210,197 | 225,524 | 216,636 | (8,888) | -3.9% |
| Health & Senior Services | 83,423 | 79,058 | 67,907 | (11,151) | -14.1% |
| Balance of Human Services | 36,830 | 38,413 | 38,413 | - | 0.0% |
| Child Welfare | 73,462 | 96,776 | 52,066 | (44,710) | -46.2% |
| Central Office | 11,401 | 35,201 | 44,215 | 9,014 | 25.6% |
| DD | 228,173 | 217,239 | 210,845 | (6,394) | -2.9% |
| Medicaid | 23,255 | 24,599 | 26,989 | 2,390 | 9.7% |
| Mental Health | 254,375 | 266,838 | 260,070 | (6,768) | -2.5% |
| Labor | 60,242 | 62,012 | 60,946 | (1,066) | -1.7% |
| Law & Public Safety | 153,306 | 163,579 | 161,749 | (1,830) | -1.1% |
| JJC | 81,596 | 89,122 | 89,760 | 638 | 0.7% |
| Military & Veterans' Affairs | 23,678 | 24,251 | 23,101 | (1,150) | -4.7% |
| Personnel | 25,448 | 26,307 | 25,701 | (606) | -2.3% |
| State | 13,715 | 15,801 | 14,770 | (1,031) | -6.5% |
| NJN | 6,146 | 6,446 | 5,946 | (500) | -7.8% |
| State Library | 10,245 | 10,370 | 4,370 | (6,000) | -57.9% |
| Transportation | 87,907 | 105,657 | 92,175 | (13,482) | -12.8% |
| Treasury | 299,251 | 343,144 | 312,988 | (30,156) | -8.8% |
| Misc. Executive Commissions | 1,390 | 1,395 | 1,403 | 8 | 0.6% |
| Total Executive Branch | \$ 2,568,086 | \$ 2,761,702 | \$ 2,638,212 | \$ (123,490) | -4.5% |
| Legislature | \$ 68,217 | \$ 70,167 | \$ 70,184 | \$ 17 | 0.0% |
| Judiciary | 504,877 | 525,130 | 525,130 | - | 0.0% |
| Sub Total Operations-Base | \$ 3,141,180 | \$ 3,356,999 | \$ 3,233,526 | \$ (123,473) | -3.7% |
| Required Increases | | | | | |
| Corrections and JJC | | | | | |
| Medical Contract Costs | \$ 146,350 | \$ 147,250 | \$ 155,792 | \$ 8,542 | 5.8% |
| Education | | | | | |
| Statewide Assessment | 16,225 | 16,225 | 23,225 | 7,000 | 43.1% |
| Human Services | | | | | |
| Child Welfare Reform | 149,812 | 94,222 | 127,144 | 32,922 | 34.9% |
| Law & Public Safety | | | | | |
| State Police | 271,455 | 296,107 | 302,678 | 6,571 | 2.2% |
| Ethical Standards | 661 | 679 | 1,129 | 450 | 66.3% |
| DMAVA | | | | | |
| Veteran's Homes | 58,113 | 59,780 | 61,910 | 2,130 | 3.6% |
| Treasury | | | | | |
| Office of the Inspector General | - | - | 2,500 | 2,500 | - |
| Public Advocate | - | - | 2,000 | 2,000 | - |
| Public Defender | 84,818 | 87,282 | 90,720 | 3,438 | 3.9% |
| Legislature | | | | | |
| SCI Increase | 4,400 | 4,400 | 4,922 | 522 | 11.9% |
| Judiciary | | | | | |
| Drug Court | 27,196 | 27,196 | 28,896 | 1,700 | 6.3% |
| Subtotal Required Increases | \$ 759,030 | \$ 733,141 | \$ 800,916 | \$ 67,775 | 9.2% |
| Interdepartmental | | | | | |
| Other | \$ 55,469 | \$ 56,969 | \$ 55,721 | \$ (1,248) | -2.2% |
| Pension, Health Benefits & PRM | 856,542 | 845,799 | 961,260 | 115,461 | 13.7% |
| Taxes | 472,196 | 509,845 | 512,223 | 2,378 | 0.5% |
| Insurance & Other | 80,411 | 93,411 | 94,011 | 600 | 0.6% |
| Rent | 177,517 | 183,017 | 174,774 | (8,243) | -4.5% |
| Salary Program | 137,280 | 7,500 | 97,624 | 90,124 | 1201.7% |
| Subtotal Interdepartmental | \$ 1,779,415 | \$ 1,696,541 | \$ 1,895,613 | \$ 199,072 | 11.7% |
| Total | \$ 5,679,625 | \$ 5,786,681 | \$ 5,930,055 | \$ 143,374 | 2.5% |

Components of Operating Budget

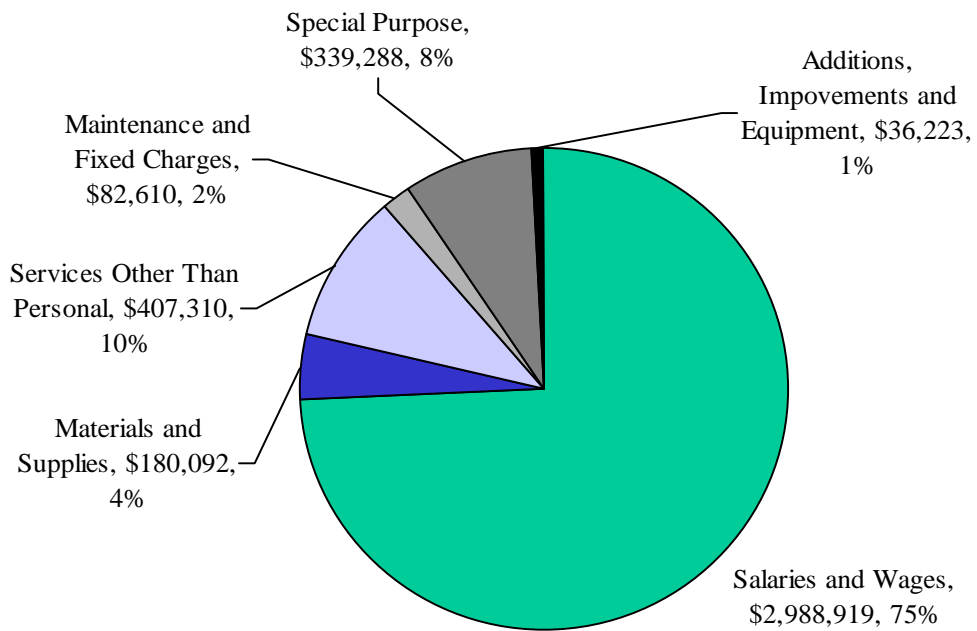
(In Millions)



Total State funded, \$4.0 billion

Operating Split between Salaries and Other Costs

(In Thousands)



*Funding for
Property Tax Relief*

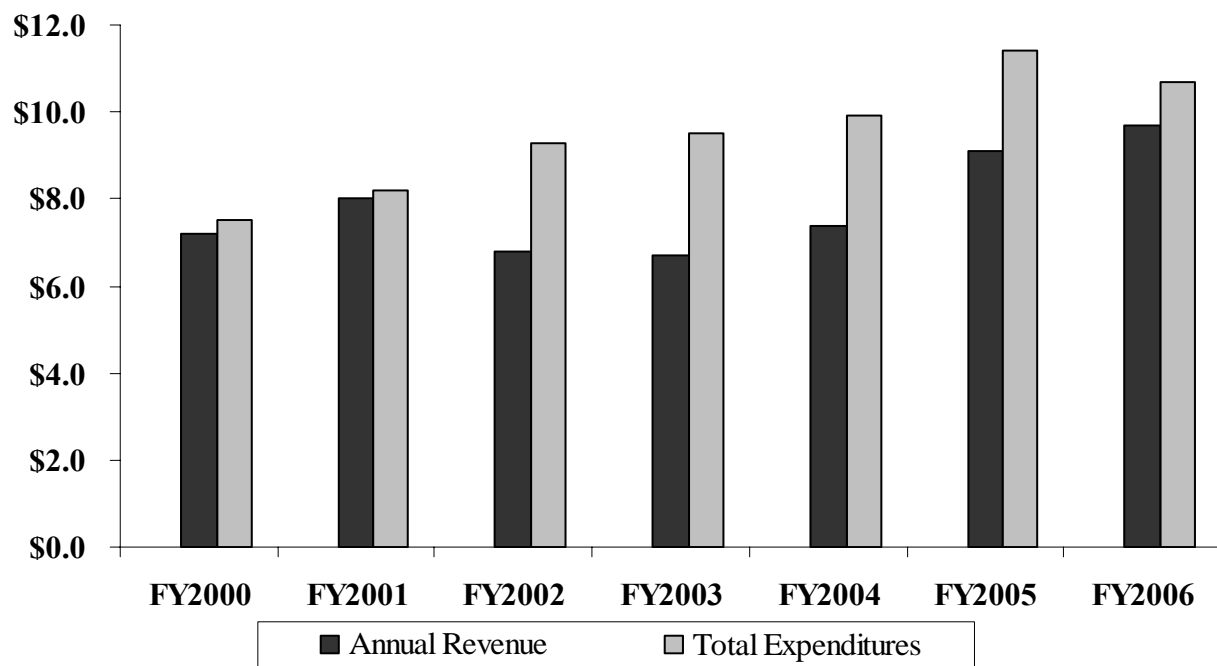
(In Millions)

| <u>Programs</u> | <u>FY2005 Adjusted Approp.</u> | <u>FY2006 Budget</u> | <u>\$ Change</u> |
|---|--|---------------------------------|----------------------------------|
| School Aid | \$8,990.8 | \$9,296.3 | \$305.4 |
| Municipal Aid | 1,815.0 | 1,797.8 | (17.2) |
| Other Local Aid | 886.7 | 782.0 | (104.7) |
| Direct Taxpayer Relief | <u>2,261.7</u> | <u>1,020.9</u> | <u>(1,240.8)</u> |
| Subtotal Direct Aid | <u>\$13,954.2</u> | <u>\$12,896.9</u> | <u>(\$1,057.4)</u> |
| Pension Savings | 169.7 | 167.7 | (2.0) |
| Police and Firemen's Pension Savings | <u>199.1</u> | <u>154.8</u> | <u>(44.3)</u> |
| Subtotal Pension Savings | <u>\$368.8</u> | <u>\$322.5</u> | <u>(\$46.3)</u> |
| Hotel Revenue | <u>\$35.0</u> | <u>\$35.0</u> | <u>\$0.0</u> |
| Realty Transfer Fee - County Share | <u>\$130.0 *</u> | <u>\$130.0 *</u> | <u>\$0.0</u> |
| Grand Totals | <u><u>\$14,488.0</u></u> | <u><u>\$13,384.4</u></u> | <u><u>(\$1,103.7)</u></u> |

*Reflects base revenue of \$90 million plus \$40 million from 25 cent fee increase.

*Property Tax Relief Programs/
Income Tax Revenues*

(In Billions)



School Aid

(In Millions)

| | FY2005 Adjusted Approp. | FY2006 Budget | \$ Change |
|--|--|--------------------------|------------------|
| Formula/Supplemental Programs | \$6,928.5 | \$6,977.5 | \$49.0 |
| Abbott Preschool Expansion | 182.4 | 192.4 | 10.0 |
| Nonpublic School Aid | 100.1 | 100.1 | - |
| Other Aid | 163.1 | 116.1 | (46.9) |
| Total Direct School Aid | \$7,374.1 | \$7,386.2 | \$12.1 |
| Teachers' Pension and Annuity Fund | \$0.0 | \$94.5 | \$94.5 |
| Post Retirement Medical | 607.0 | 685.4 | 78.4 |
| Debt Service on Pension Obligation Bonds | 79.8 | 86.9 | 7.2 |
| Teachers' Social Security | 624.8 | 655.8 | 31.0 |
| Total Direct State Payments for Education | \$1,311.5 | \$1,522.6 | \$211.1 |
| School Construction and Renovation Fund | \$184.0 | \$267.8 | \$83.8 |
| Debt Service Aid | 121.3 | 119.7 | (1.6) |
| Total School Building Aid | \$305.3 | \$387.5 | \$82.2 |
| Total School Aid | \$8,990.8 | \$9,296.3 | \$305.4 |

STATE AID FOR LOCAL SCHOOL DISTRICTS
CONSOLIDATED SUMMARY
GENERAL FUND AND PROPERTY TAX RELIEF FUND
(In Thousands)

---Recommended Fiscal Year 2006---

| | Expended Fiscal 2004 | Adjusted Appropriation Fiscal 2005 | Requested Fiscal 2006 | General Fund | Property Tax Relief Fund | Total |
|--|----------------------------|---|-----------------------------|------------------|-----------------------------------|--------------------|
| Formula Aid Programs: | | | | | | |
| Core Curriculum Standards Aid | \$3,079,584 | \$3,080,318 | \$3,080,318 | \$497,089 | \$2,583,229 | \$3,080,318 |
| Supplemental Core Curriculum Standards Aid | 251,768 | 251,768 | 251,768 | 0 | 251,768 | 251,768 |
| Early Childhood Aid | 330,630 | 330,630 | 330,630 | 0 | 330,630 | 330,630 |
| Instructional Supplement | 15,621 | 15,621 | 15,621 | 0 | 15,621 | 15,621 |
| Demonstrably Effective Program Aid | 199,512 | 199,512 | 199,512 | 0 | 199,512 | 199,512 |
| Stabilization Aid | 111,626 | 111,626 | 111,626 | 0 | 111,626 | 111,626 |
| Stabilization Aid 2 | 2,491 | 2,491 | 2,491 | 0 | 2,491 | 2,491 |
| Stabilization Aid 3 | 11,402 | 11,402 | 11,402 | 0 | 11,402 | 11,402 |
| Additional Supplemental Stabilization Aid: | | | | | | |
| Large Efficient Districts | 5,250 | 5,250 | 5,250 | 0 | 5,250 | 5,250 |
| High Senior Citizen Concentrations | 1,231 | 1,231 | 1,231 | 0 | 1,231 | 1,231 |
| Regionalization Incentive Aid | 18,295 | 18,295 | 18,295 | 0 | 18,295 | 18,295 |
| Categorical Aids: | | | | | | |
| Adult Education Grants | 28,721 | 28,721 | 28,721 | 0 | 28,721 | 28,721 |
| Bilingual Education | 65,578 | 65,578 | 65,578 | 0 | 65,578 | 65,578 |
| Special Education | 896,420 | 896,420 | 896,420 | 0 | 896,420 | 896,420 |
| County Vocational Education | 38,948 | 38,948 | 38,948 | 0 | 38,948 | 38,948 |
| Pupil Transportation Aid | 305,652 | 307,187 | 307,187 | 0 | 307,187 | 307,187 |
| School Choice | 6,537 | 7,969 | 7,969 | 0 | 7,969 | 7,969 |
| Aid for Enrollment Adjustments | 16,456 | 16,456 | 16,456 | 0 | 16,456 | 16,456 |
| Consolidated Aid | 130,127 | 130,127 | 130,127 | 0 | 130,127 | 130,127 |
| Above Average Enrollment Growth | 0 | 12,000 | 0 | 0 | 0 | 0 |
| Additional Formula Aid | 0 | 90,000 | 90,000 | 0 | 90,000 | 90,000 |
| Less: | | | | | | |
| Stabilization Aid Growth Limitation | (73,576) | (73,576) | (73,576) | 0 | (73,576) | (73,576) |
| Growth Savings - Payment Change | (14,250) | (14,500) | (2,450) | 0 | (2,450) | (2,450) |
| Subtotal, Net T&E Budget | \$5,428,023 | \$5,533,474 | \$5,533,524 | \$497,089 | \$5,036,435 | \$5,533,524 |
| School Construction and Renovation Fund | 108,463 | 183,991 | 267,780 | 267,780 | 0 | 267,780 |
| Debt Service Aid | 126,601 | 121,272 | 119,679 | 119,679 | 0 | 119,679 |
| Subtotal, School Building Aid | \$235,064 | \$305,263 | \$387,459 | \$387,459 | \$0 | \$387,459 |
| TOTAL FORMULA AID | \$5,663,087 | \$5,838,737 | \$5,920,983 | \$884,548 | \$5,036,435 | \$5,920,983 |

STATE AID FOR LOCAL SCHOOL DISTRICTS
CONSOLIDATED SUMMARY
GENERAL FUND AND PROPERTY TAX RELIEF FUND
(In Thousands)

---Recommended Fiscal Year 2006---

| | Expended Fiscal 2004 | Adjusted Appropriation Fiscal 2005 | Requested Fiscal 2006 | General Fund | Property Tax Relief Fund | Total |
|--|----------------------------|---|-----------------------------|--------------------|-----------------------------------|--------------------|
| Other Aid to Education: | | | | | | |
| Nonpublic School Aid | \$100,266 | \$100,118 | \$100,118 | \$100,118 | \$0 | \$100,118 |
| Education Opportunity Aid | 1,051,330 | 1,400,466 | 1,449,495 | 0 | 1,449,495 | 1,449,495 |
| Abbott Preschool Expansion Aid | 142,442 | 182,400 | 192,400 | 0 | 192,400 | 192,400 |
| Early Launch to Learning Initiative | 0 | 15,000 | 4,000 | 0 | 4,000 | 4,000 |
| High Expectations for Learning Proficiency | 0 | 17,000 | 0 | 0 | 0 | 0 |
| Positive Achievement and Cost Effectiveness | 0 | 2,500 | 0 | 0 | 0 | 0 |
| Payment for Children with Unknown District of Residence | 22,952 | 25,900 | 23,500 | 0 | 23,500 | 23,500 |
| Extraordinary Special Education Costs Aid | 52,000 | 52,000 | 52,000 | 52,000 | 0 | 52,000 |
| General Vocational Aid | 4,846 | 4,860 | 4,860 | 4,860 | 0 | 4,860 |
| Additional School Building Aid (Debt Service) | 1,599 | 955 | 775 | 0 | 775 | 775 |
| Educational Information & Resource Center | 450 | 450 | 450 | 450 | 0 | 450 |
| Charter School Aid | 5,714 | 11,700 | 11,700 | 0 | 11,700 | 11,700 |
| Charter Schools - Council on Local Mandates Decision Offset Aid | 5,499 | 5,500 | 5,500 | 0 | 5,500 | 5,500 |
| Character Education | 4,742 | 4,750 | 4,750 | 0 | 4,750 | 4,750 |
| Teacher Quality Mentoring | 1,997 | 2,500 | 2,500 | 0 | 2,500 | 2,500 |
| Other Aid | 6,898 | 14,486 | 591 | 491 | 100 | 591 |
| Subtotal, Other Aid to Education | \$1,400,735 | \$1,840,585 | \$1,852,639 | \$157,919 | \$1,694,720 | \$1,852,639 |
| Subtotal, Department of Education | \$7,063,822 | \$7,679,322 | \$7,773,622 | \$1,042,467 | \$6,731,155 | \$7,773,622 |
| Direct State Payments for Education: | | | | | | |
| Teachers' Pension and Annuity Fund | 0 | 0 | 94,516 | 94,516 | 0 | 94,516 |
| Teachers' Pension and Annuity Fund - Post Retirement Medical | 415,883 | 524,979 | 589,118 | 0 | 589,118 | 589,118 |
| Debt Service on Pension Obligation Bonds | 83,512 | 79,779 | 86,940 | 86,940 | 0 | 86,940 |
| Post Retirement Medical Other Than TPAF | 65,385 | 82,013 | 96,318 | 96,318 | 0 | 96,318 |
| Teachers' Social Security Assistance | 594,427 | 624,750 | 655,750 | 0 | 655,750 | 655,750 |
| Subtotal, Direct State Payments for Education | \$1,159,207 | \$1,311,521 | \$1,522,642 | \$277,774 | \$1,244,868 | \$1,522,642 |
| TOTAL | \$8,223,029 | \$8,990,843 | \$9,296,264 | \$1,320,241 | \$7,976,023 | \$9,296,264 |

Municipal Aid

(In Millions)

| | <u>FY2005 Adjusted Approp.</u> | <u>FY2006 Budget</u> | <u>\$ Change</u> |
|---|--|--------------------------------|-------------------------------|
| Consolidated Municipal Property Tax Relief Aid (CMPTRA) | \$835.4 | \$835.4 | \$0.0 |
| Energy Receipts Property Tax Relief Aid | 787.7 | 788.5 | 0.8 |
| Special Municipal Aid | 29.3 | 24.3 | (5.0) |
| Municipal Homeland Security Assistance | 32.0 | 32.0 | 0.0 |
| Regional Efficiency Aid Program (REAP) | 11.0 | 10.0 | (1.0) |
| Trenton Capitol City Aid | 16.5 | 16.5 | 0.0 |
| Highlands Protection Fund Aid | 12.0 | 12.0 | 0.0 |
| Legislative Initiative Block Grant Program | 34.8 | 34.8 | 0.0 |
| Extraordinary Aid | 41.0 | 31.0 | (10.0) |
| Open Space - Payment In Lieu of Taxes (PILOT) | 8.5 | 9.0 | 0.5 |
| Taxpayer Hero Grants | 2.5 | 0.0 | (2.5) |
| Regional Efficiency Development Incentive Grants (REDI) | <u>4.2</u> | <u>4.2</u> | <u>0.0</u> |
| Total Direct Municipal Aid | <u><u>\$1,815.0</u></u> | <u><u>\$1,797.8</u></u> | <u><u>(\$17.2)</u></u> |

Direct Property Tax Relief

(In Millions)

| | FY2005 Adjusted Approp. | FY2006 Budget | \$ Change |
|---|--|--------------------------------|----------------------------------|
| Homestead Rebates / SAVER | | | |
| Eligibility and Benefit Level Changes | \$1,549.3 | \$478.5 | (\$1,070.8) |
| Under-spending | 140.0 | 0.0 | (140.0) |
| Senior/Disabled Citizens Property Tax Freeze | 73.4 | 98.4 | 25.0 |
| Property Tax Deduction Act | 390.0 | 335.0 | (55.0) |
| Municipal Reimbursement - Veterans' Tax Deductions | 86.0 | 86.0 | 0.0 |
| Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions | <u>23.0</u> | <u>23.0</u> | <u>0.0</u> |
| Total Direct Property Tax Relief | <u><u>\$2,261.7</u></u> | <u><u>\$1,020.9</u></u> | <u><u>(\$1,240.8)</u></u> |

Higher Education

(In Millions)

| | FY2005 | FY2006 | Change | |
|--|------------------|------------------|---------------|---------------|
| | Adjusted | Budget | \$ | % |
| Colleges and Universities | | | | |
| Senior Public Colleges and Universities | \$1,374.1 | \$1,416.8 | \$42.6 | 3.1% |
| County Colleges | 220.1 | 223.6 | 3.5 | 1.6% |
| Independent Colleges and Universities | 24.0 | 24.0 | 0.0 | 0.0% |
| Student Financial Assistance | 240.0 | 251.1 | 11.1 | 4.6% |
| Educational Opportunity Fund | 37.1 | 37.1 | --- | --- |
| Facility and Capital Improvement Programs | 87.3 | 81.2 | (6.2) | (7.1%) |
| Other Programs | 23.1 | 21.5 | (1.6) | (6.8%) |
| TOTAL, Higher Education | \$2,005.8 | \$2,055.2 | \$49.4 | 2.5% |

Higher Education
(In Millions)

| | FY2005 Adjusted | FY2006 Budget | \$ Change |
|---|----------------------------|--------------------------|------------------|
| SENIOR PUBLIC INSTITUTIONS | | | |
| Rutgers University | \$326.0 | \$323.8 | (\$2.2) |
| UMDNJ | 209.5 | 196.5 | (13.0) |
| NJIT | 50.3 | 50.1 | (0.1) |
| Thomas Edison State College | 6.1 | 5.8 | (0.3) |
| Rowan University | 38.1 | 38.1 | 0.0 |
| New Jersey City University | 32.1 | 32.1 | 0.0 |
| Kean University | 41.6 | 40.8 | (0.8) |
| William Paterson University | 40.7 | 40.7 | 0.0 |
| Montclair State University | 47.4 | 47.4 | 0.0 |
| College of New Jersey | 36.8 | 36.8 | 0.0 |
| Ramapo College of New Jersey | 20.6 | 20.6 | 0.0 |
| Richard Stockton College of New Jersey | 24.5 | 24.5 | 0.0 |
| SUBTOTAL, SENIOR PUBLICS DIRECT AID ^(a) | \$873.6 | \$857.2 | (\$16.4) |
| SENIOR PUBLICS SALARY FUNDING | 0.0 | 17.8 | 17.8 |
| SENIOR PUBLICS NET FRINGE BENEFITS | 500.5 | 541.8 | 41.2 |
| TOTAL, SENIOR PUBLICS | \$1,374.1 | \$1,416.8 | \$42.6 |
| TOTAL, COUNTY COLLEGES ^(b) | 220.1 | 223.6 | 3.5 |
| TOTAL, INDEPENDENT COLLEGES & UNIV. | 24.0 | 24.0 | 0.0 |
| STUDENT FINANCIAL ASSISTANCE | | | |
| Tuition Aid Grants | 202.6 | 211.9 | 9.3 |
| Part-time TAG for County Colleges | 4.2 | 4.5 | 0.3 |
| NJ STARS | 10.0 | 8.0 | (2.0) |
| EOF Grants and Scholarships | 37.1 | 37.1 | 0.0 |
| Loan Forgiveness for Mental Health Workers | 0.0 | 3.5 | 3.5 |
| Other Student Aid Programs | 23.2 | 23.2 | (0.0) |
| TOTAL, STUDENT FINANCIAL ASSIST. | \$277.1 | \$288.1 | \$11.1 |
| OTHER PROGRAMS | | | |
| Capital Grants and Facilities Support ^(c) | 87.3 | 81.2 | (6.2) |
| New Jersey Stem Cell Research Institute ^(d) | 5.5 | 5.5 | 0.0 |
| All other programs | 17.6 | 16.0 | (1.6) |
| TOTAL, OTHER PROGRAMS | \$110.5 | \$102.7 | (\$7.8) |
| GRAND TOTAL, HIGHER EDUCATION | \$2,005.8 | \$2,055.2 | \$49.4 |

^(a) All reductions represent FY 2005 legislative adds not continued in FY 2006. Base budgets have not been reduced.

^(b) Includes funding from Supplemental Workforce Fund for Basic Skills of \$8.0 million in FY 2005 and \$14.0 million in FY 2006.

^(c) Includes use of off-budget fund balances totaling \$2.5 million in FY 2005.

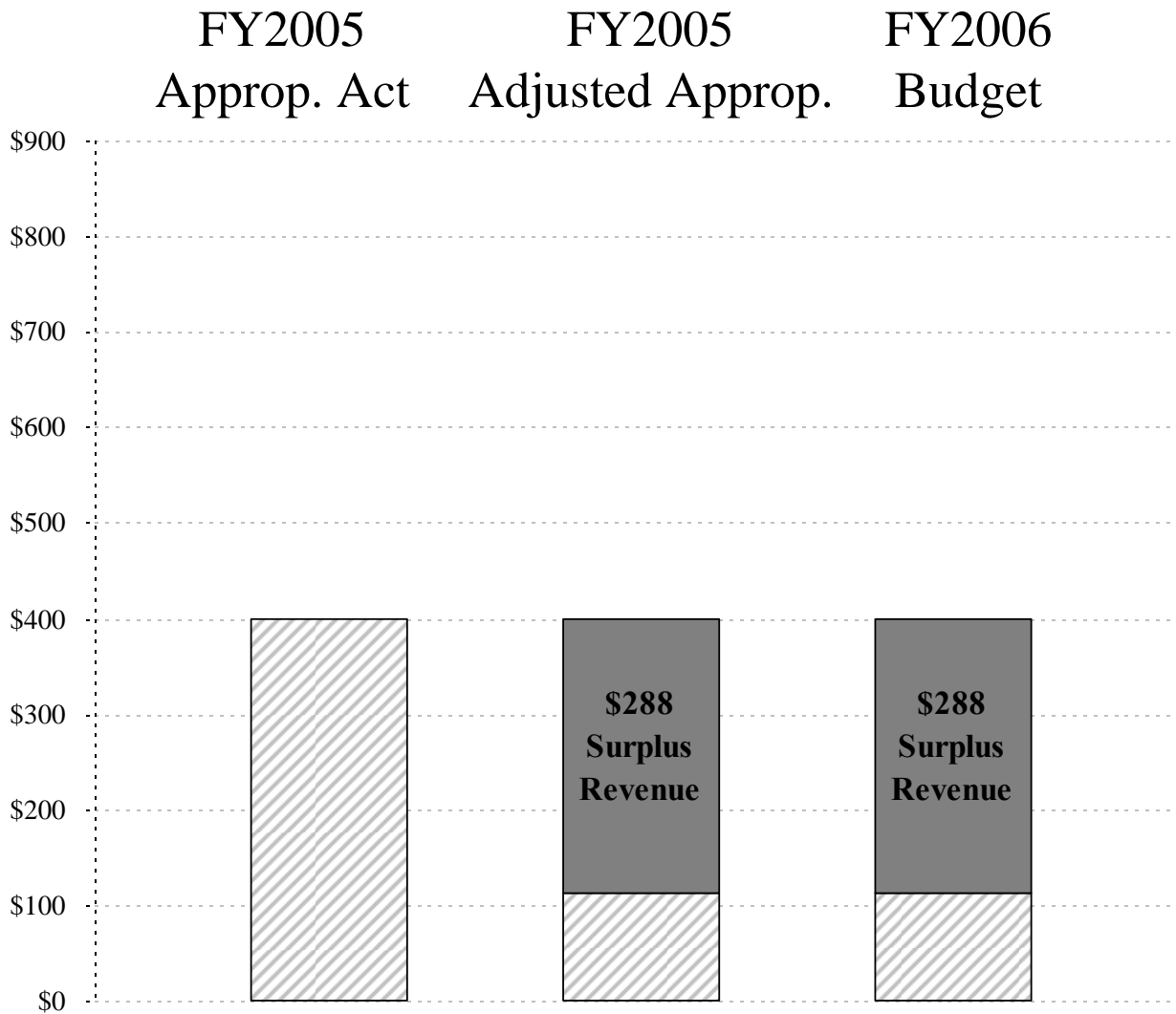
^(d) FY 2005 Funding for the Stem Cell Research Institute was supplemented by \$4.0 million in prior year balances.

Significant Reductions

| | |
|---|-------------|
| Homestead Rebate / SAVER Eligibility and Benefit Level Savings | \$1,070,800 |
| Refinancing Savings | 282,400 |
| Legislative Additions to Fiscal Year 2005 Budget | 253,371 |
| Homestead Rebate / SAVER Under Spending | 140,000 |
| Employee Actions | 50,000 |
| Cancer Programs (Legislative Additions) | 28,000 |
| Nursing Home no Inflation in Rates | 23,000 |
| Outpatient Hospital Cost Monitoring | 20,000 |
| Departmental Efficiencies | 17,659 |
| High Expectations for Learning Proficiency | 17,000 |
| Above Average Enrollment Growth Aid | 12,000 |
| Change in Drug Manufacturer Price Updates | 11,387 |
| Early Launch to Learning (under spending) | 11,000 |
| Medicaid Co-payments | 9,500 |
| New Jersey After 3 | 7,500 |
| Change in Prescription Refill Requirements | 7,300 |
| Nursing Home Change in Bed Hold Formula | 6,400 |
| AIDS Drug Distribution Program Formulary | 5,000 |
| Taxpayer Hero Grants (program never started in 05) | 2,500 |
| Positive Achievement and Cost Effectiveness (program never started in 05) | 2,500 |

Surplus

(In Millions)



**COMPARISON OF BUDGET MESSAGE TO
PRIOR FISCAL YEAR APPROPRIATIONS ACT**

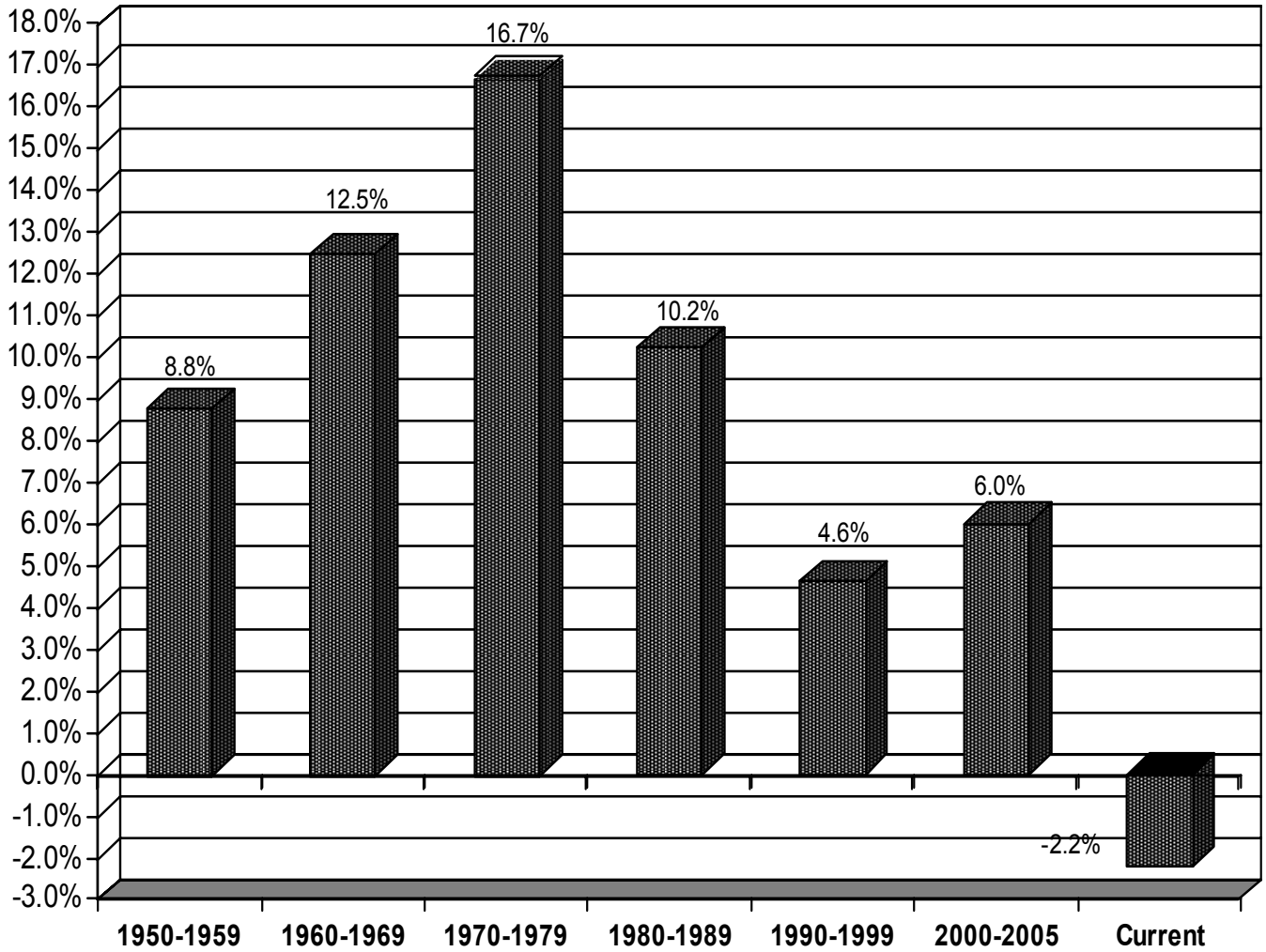
| <u>Budget Year</u> | <u>ORIGINAL BUDGET RECOMMENDATIONS</u> | <u>PRIOR YEAR APPROPRIATIONS ACT</u> | <u>\$\$ CHANGE</u> | <u>%% CHANGE</u> |
|--------------------|--|--|------------------------|----------------------|
| 2005 - 2006 | \$ 27,412.8 | \$ 28,027.3 | \$ (614.5) | -2.19% |
| 2004 - 2005 | \$ 26,259.8 | \$ 24,003.2 | \$ 2,256.6 | 9.40% |
| 2003 - 2004 | \$ 23,701.8 | \$ 23,401.7 | \$ 300.1 | 1.28% |
| 2002 - 2003 | \$ 23,663.2 | \$ 22,920.7 | \$ 742.5 | 3.24% |
| 2001 - 2002 | \$ 23,153.4 | \$ 21,419.7 | \$ 1,733.7 | 8.09% |
| 2000 - 2001 | \$ 21,252.8 | \$ 19,514.4 | \$ 1,738.4 | 8.91% |
| 1999 - 2000 | \$ 19,160.5 | \$ 18,123.8 | \$ 1,036.8 | 5.72% |
| 1998 - 1999 | \$ 17,953.3 | \$ 16,786.6 | \$ 1,166.7 | 6.95% |
| 1997 - 1998 | \$ 16,420.9 | \$ 15,977.8 | \$ 443.0 | 2.77% |
| 1996 - 1997 | \$ 15,984.7 | \$ 15,994.6 | \$ (9.9) | -0.06% |
| 1995 - 1996 | \$ 15,987.4 | \$ 15,280.7 | \$ 706.7 | 4.63% |
| 1994 - 1995 | \$ 15,377.4 | \$ 15,466.9 | \$ (89.6) | -0.58% |
| 1993 - 1994 | \$ 15,649.6 | \$ 14,625.5 | \$ 1,024.1 | 7.00% |
| 1992 - 1993 | \$ 15,706.7 | \$ 14,651.5 | \$ 1,055.2 | 7.20% |
| 1991 - 1992 | \$ 14,310.5 | \$ 12,423.8 | \$ 1,886.7 | 15.19% |
| 1990 - 1991 | \$ 12,145.6 | \$ 11,995.0 | \$ 150.6 | 1.26% |
| 1989 - 1990 | \$ 12,090.0 | \$ 11,775.1 | \$ 314.9 | 2.67% |
| 1988 - 1989 | \$ 11,806.2 | \$ 10,396.5 | \$ 1,409.7 | 13.56% |
| 1987 - 1988 | \$ 10,179.9 | \$ 9,279.4 | \$ 900.5 | 9.70% |
| 1986 - 1987 | \$ 9,281.5 | \$ 8,681.2 | \$ 600.3 | 6.92% |
| 1985 - 1986 | \$ 8,824.5 | \$ 7,693.3 | \$ 1,131.2 | 14.70% |
| 1984 - 1985 | \$ 7,574.6 | \$ 6,771.8 | \$ 802.8 | 11.86% |
| 1983 - 1984 | \$ 6,799.6 | \$ 6,181.7 | \$ 617.9 | 10.00% |
| 1982 - 1983 | \$ 6,373.4 | \$ 5,691.3 | \$ 682.1 | 11.99% |
| 1981 - 1982 | \$ 5,635.1 | \$ 5,107.1 | \$ 528.0 | 10.34% |
| 1980 - 1981 | \$ 4,736.4 | \$ 4,652.1 | \$ 84.4 | 1.81% |
| 1979 - 1980 | \$ 4,655.5 | \$ 4,394.4 | \$ 261.2 | 5.94% |
| 1978 - 1979 | \$ 4,407.3 | \$ 4,010.6 | \$ 396.6 | 9.89% |
| 1977 - 1978 | \$ 4,001.7 | \$ 2,853.3 | \$ 1,148.4 | 40.25% |
| 1976 - 1977 | \$ 2,762.8 | \$ 2,698.1 | \$ 64.7 | 2.40% |
| 1975 - 1976 | \$ 2,816.1 | \$ 2,756.1 | \$ 60.0 | 2.18% |
| 1974 - 1975 | \$ 2,753.0 | \$ 2,385.7 | \$ 367.3 | 15.40% |
| 1973 - 1974 | \$ 2,380.6 | \$ 2,047.7 | \$ 332.9 | 16.26% |
| 1972 - 1973 | \$ 2,406.8 | \$ 1,779.3 | \$ 627.5 | 35.27% |
| 1971 - 1972 | \$ 1,784.0 | \$ 1,557.5 | \$ 226.5 | 14.54% |
| 1970 - 1971 | \$ 1,590.1 | \$ 1,334.4 | \$ 255.7 | 19.16% |
| 1969 - 1970 | \$ 1,361.9 | \$ 1,088.5 | \$ 273.4 | 25.12% |
| 1968 - 1969 | \$ 1,064.2 | \$ 992.7 | \$ 71.5 | 7.20% |
| 1967 - 1968 | \$ 998.8 | \$ 876.6 | \$ 122.2 | 13.94% |
| 1966 - 1967 | \$ 906.1 | \$ 639.4 | \$ 266.8 | 41.72% |
| 1965 - 1966 | \$ 646.8 | \$ 584.1 | \$ 62.7 | 10.73% |
| 1964 - 1965 | \$ 589.9 | \$ 543.8 | \$ 46.1 | 8.48% |
| 1963 - 1964 | \$ 547.5 | \$ 499.4 | \$ 48.1 | 9.63% |
| 1962 - 1963 | \$ 500.0 | \$ 467.2 | \$ 32.7 | 7.01% |
| 1961 - 1962 | \$ 467.4 | \$ 431.8 | \$ 35.6 | 8.24% |
| 1960 - 1961 | \$ 431.4 | \$ 405.1 | \$ 26.2 | 6.47% |
| 1959 - 1960 | \$ 403.3 | \$ 388.6 | \$ 14.7 | 3.78% |
| 1958 - 1959 | \$ 399.7 | \$ 342.5 | \$ 57.2 | 16.71% |
| 1957 - 1958 | \$ 342.5 | \$ 320.8 | \$ 21.6 | 6.74% |
| 1956 - 1957 | \$ 315.5 | \$ 284.4 | \$ 31.1 | 10.92% |
| 1955 - 1956 | \$ 257.3 | \$ 234.8 | \$ 22.5 | 9.58% |
| 1954 - 1955 | \$ 235.4 | \$ 219.7 | \$ 15.8 | 7.18% |
| 1953 - 1954 | \$ 219.3 | \$ 210.7 | \$ 8.6 | 4.10% |
| 1952 - 1953 | \$ 196.4 | \$ 176.8 | \$ 19.6 | 11.09% |
| 1951 - 1952 | \$ 169.7 | \$ 164.1 | \$ 5.6 | 3.43% |
| 1950 - 1951 | \$ 164.1 | \$ 159.5 | \$ 4.6 | 2.88% |

**COMPARISON OF BUDGET MESSAGE TO
ADJUSTED APPROPRIATION**

FY06 Budget represents the largest Budget reduction in State history.

| Budget Year | ORIGINAL BUDGET | | PRIOR YEAR | | \$\$ CHANGE | %% CHANGE |
|-------------|-----------------|------------------------|------------|----|----------------|--------------|
| | RECOMMENDATIONS | ADJUSTED APPROPRIATION | | | | |
| 2005 - 2006 | \$ 27,412.8 | \$ 28,400.4 | \$ | \$ | (987.6) | -3.48% |
| 2004 - 2005 | \$ 26,259.8 | \$ 24,542.3 | \$ | \$ | 1,717.5 | 7.00% |
| 2003 - 2004 | \$ 23,701.8 | \$ 24,042.8 | \$ | \$ | (341.0) | -1.42% |
| 2002 - 2003 | \$ 23,663.2 | \$ 23,319.6 | \$ | \$ | 343.6 | 1.47% |
| 2001 - 2002 | \$ 23,153.4 | \$ 21,733.6 | \$ | \$ | 1,419.7 | 6.53% |
| 2000 - 2001 | \$ 21,252.8 | \$ 19,974.8 | \$ | \$ | 1,278.0 | 6.40% |
| 1999 - 2000 | \$ 19,160.5 | \$ 18,363.5 | \$ | \$ | 797.1 | 4.34% |
| 1998 - 1999 | \$ 17,953.3 | \$ 17,039.1 | \$ | \$ | 914.2 | 5.37% |
| 1997 - 1998 | \$ 16,420.9 | \$ 16,217.8 | \$ | \$ | 203.1 | 1.25% |
| 1996 - 1997 | \$ 15,984.7 | \$ 16,109.1 | \$ | \$ | (124.4) | -0.77% |
| 1995 - 1996 | \$ 15,987.4 | \$ 15,503.6 | \$ | \$ | 483.8 | 3.12% |
| 1994 - 1995 | \$ 15,377.4 | \$ 15,499.9 | \$ | \$ | (122.5) | -0.79% |
| 1993 - 1994 | \$ 15,649.6 | \$ 14,745.4 | \$ | \$ | 904.3 | 6.13% |
| 1992 - 1993 | \$ 15,706.7 | \$ 15,003.7 | \$ | \$ | 703.0 | 4.69% |
| 1991 - 1992 | \$ 14,310.5 | \$ 12,577.1 | \$ | \$ | 1,733.5 | 13.78% |
| 1990 - 1991 | \$ 12,145.6 | \$ 12,148.0 | \$ | \$ | (2.5) | -0.02% |
| 1989 - 1990 | \$ 12,090.0 | \$ 11,877.0 | \$ | \$ | 213.0 | 1.79% |
| 1988 - 1989 | \$ 11,806.2 | \$ 10,497.3 | \$ | \$ | 1,308.9 | 12.47% |
| 1987 - 1988 | \$ 10,179.9 | \$ 9,289.6 | \$ | \$ | 890.2 | 9.58% |
| 1986 - 1987 | \$ 9,281.5 | \$ 8,996.9 | \$ | \$ | 284.6 | 3.16% |
| 1985 - 1986 | \$ 8,824.5 | \$ 7,923.0 | \$ | \$ | 901.5 | 11.38% |
| 1984 - 1985 | \$ 7,574.6 | \$ 6,886.1 | \$ | \$ | 688.5 | 10.00% |
| 1983 - 1984 | \$ 6,799.6 | \$ 6,288.6 | \$ | \$ | 511.0 | 8.13% |
| 1982 - 1983 | \$ 6,373.4 | \$ 5,743.5 | \$ | \$ | 630.0 | 10.97% |
| 1981 - 1982 | \$ 5,635.1 | \$ 5,124.7 | \$ | \$ | 510.4 | 9.96% |
| 1980 - 1981 | \$ 5,114.2 | \$ 4,736.4 | \$ | \$ | 377.7 | 7.97% |
| 1979 - 1980 | \$ 4,655.5 | \$ 4,413.0 | \$ | \$ | 242.6 | 5.50% |
| 1978 - 1979 | \$ 4,407.3 | \$ 4,062.4 | \$ | \$ | 344.9 | 8.49% |
| 1977 - 1978 | \$ 4,001.7 | \$ 3,381.0 | \$ | \$ | 620.7 | 18.36% |
| 1976 - 1977 | \$ 2,762.8 | \$ 2,704.5 | \$ | \$ | 58.4 | 2.16% |
| 1975 - 1976 | \$ 2,816.1 | \$ 2,765.5 | \$ | \$ | 50.6 | 1.83% |
| 1974 - 1975 | \$ 2,753.0 | \$ 2,402.1 | \$ | \$ | 350.9 | 14.61% |
| 1973 - 1974 | \$ 2,380.6 | \$ 2,072.1 | \$ | \$ | 308.5 | 14.89% |
| 1972 - 1973 | \$ 2,406.8 | \$ 1,823.6 | \$ | \$ | 583.2 | 31.98% |
| 1971 - 1972 | \$ 1,784.0 | \$ 1,609.0 | \$ | \$ | 175.0 | 10.87% |
| 1970 - 1971 | \$ 1,590.1 | \$ 1,358.3 | \$ | \$ | 231.8 | 20.40% |
| 1969 - 1970 | \$ 1,361.9 | \$ 1,136.0 | \$ | \$ | 225.9 | 22.47% |
| 1968 - 1969 | \$ 1,064.2 | \$ 1,005.3 | \$ | \$ | 58.9 | 6.61% |
| 1967 - 1968 | \$ 998.8 | \$ 890.5 | \$ | \$ | 108.4 | 16.72% |
| 1966 - 1967 | \$ 906.1 | \$ 647.9 | \$ | \$ | 258.2 | 43.74% |
| 1965 - 1966 | \$ 646.8 | \$ 590.2 | \$ | \$ | 56.6 | 10.30% |
| 1964 - 1965 | \$ 589.9 | \$ 549.9 | \$ | \$ | 40.0 | 7.83% |
| 1963 - 1964 | \$ 547.5 | \$ 510.3 | \$ | \$ | 37.1 | 7.89% |
| 1962 - 1963 | \$ 500.0 | \$ 470.8 | \$ | \$ | 29.2 | 6.68% |
| 1961 - 1962 | \$ 467.4 | \$ 437.7 | \$ | \$ | 29.7 | 7.29% |
| 1960 - 1961 | \$ 431.4 | \$ 407.2 | \$ | \$ | 24.2 | 5.95% |
| 1959 - 1960 | \$ 403.3 | \$ 393.5 | \$ | \$ | 9.8 | 2.49% |
| 1958 - 1959 | \$ 399.7 | \$ 336.3 | \$ | \$ | 63.3 | 18.84% |
| 1957 - 1958 | \$ 342.5 | \$ 323.7 | \$ | \$ | 18.8 | 5.80% |
| 1956 - 1957 | \$ 315.5 | \$ 298.1 | \$ | \$ | 17.3 | 5.81% |
| 1955 - 1956 | \$ 257.3 | \$ 221.8 | \$ | \$ | 35.5 | 16.03% |
| 1954 - 1955 | \$ 235.4 | \$ 223.2 | \$ | \$ | 12.2 | 5.46% |
| 1953 - 1954 | \$ 219.3 | \$ 220.8 | \$ | \$ | (1.4) | -0.65% |
| 1952 - 1953 | \$ 196.4 | \$ 183.7 | \$ | \$ | 12.7 | 6.90% |
| 1951 - 1952 | \$ 169.7 | \$ 168.9 | \$ | \$ | 0.8 | 0.50% |
| 1950 - 1951 | \$ 164.1 | \$ 164.3 | \$ | \$ | (0.2) | -0.13% |

Average Change in Budgets Over the Past 5 1/2 Decades



Data compares Recommended Budget to the Prior Fiscal Year's Appropriation Act⁷

Appendix



SUMMARY OF APPROPRIATIONS

SUMMARY ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES (thousands of dollars)

| | Fiscal Year Ending June 30 | |
|---|----------------------------|-------------------|
| | 2005 Estimated | 2006 Estimated |
| Beginning Balances July 1 | | |
| Undesignated Fund Balances | | |
| General Fund | \$ 376,502 | \$ 111,584 |
| Surplus Revenue Fund | 282,416 | 288,416 |
| Property Tax Relief Fund | 175,264 | --- |
| Gubernatorial Elections Fund | 1,310 | --- |
| Casino Control Fund | 4,888 | --- |
| Casino Revenue Fund | 22,747 | --- |
| <i>Total Undesignated Fund Balances</i> | 863,127 | 400,000 |
| State Revenues | | |
| General Fund | 17,688,357 | 17,204,752 |
| Property Tax Relief Fund | 9,055,000 | 9,650,000 |
| Gubernatorial Elections Fund | 1,500 | 1,500 |
| Casino Control Fund | 69,585 | 69,585 |
| Casino Revenue Fund | 482,150 | 487,204 |
| <i>Total State Revenues</i> | 27,296,592 | 27,413,041 |
| Other Adjustments | | |
| General Fund | | |
| Balances lapsed | 479,533 | --- |
| From/(To) Property Tax Relief Fund | 422,189 | --- |
| From/(To) Gubernatorial Elections Fund | (6,060) | --- |
| From/(To) Casino Control Fund | 5,188 | --- |
| From/(To) Surplus Revenue Fund | (6,000) | --- |
| Property Tax Relief Fund | | |
| From/(To) General Fund | (422,189) | --- |
| Balances lapsed | 161,177 | --- |
| Gubernatorial Elections Fund | | |
| From/(To) General Fund | 6,060 | --- |
| Casino Control Fund | | |
| From/(To) General Fund | (5,188) | --- |
| Surplus Revenue Fund | | |
| From/(To) General Fund | 6,000 | --- |
| <i>Total Other Adjustments</i> | 640,710 | --- |
| <i>Total Available</i> | 28,800,429 | 27,813,041 |
| Appropriations | | |
| General Fund | 18,848,125 | 17,204,752 |
| Property Tax Relief Fund | 8,969,252 | 9,650,000 |
| Gubernatorial Elections Fund | 8,870 | 1,025 |
| Casino Control Fund | 69,285 | 69,285 |
| Casino Revenue Fund | 504,897 | 487,204 |
| <i>Total Appropriations</i> | 28,400,429 | 27,412,266 |
| Ending Balances June 30 | | |
| Undesignated Fund Balances | | |
| General Fund | 111,584 | 111,584 |
| Surplus Revenue Fund | 288,416 | 288,416 |
| Property Tax Relief Fund | --- | --- |
| Gubernatorial Elections Fund | --- | 475 |
| Casino Control Fund | --- | 300 |
| Casino Revenue Fund | --- | --- |
| <i>Total Undesignated Fund Balances</i> | \$ 400,000 | \$ 400,775 |

SUMMARY OF APPROPRIATIONS

STATE REVENUES FISCAL YEARS 2005 AND 2006 ESTIMATES (\$ In Thousands)

| | APPROP ACT FY2005 | REVISED FY2005 | CHANGE FY2005 | FY2006 | CHANGE FY05 TO FY06 |
|--|----------------------|---------------------|--------------------|---------------------|------------------------|
| Major Taxes | | | | | |
| Sales Tax | \$6,600,000 | \$6,520,000 | (\$80,000) | \$7,175,000 | \$655,000 |
| Corporation Business | 2,500,000 | 2,162,000 | (338,000) | 2,126,000 | (36,000) |
| Corporation Energy | - | - | - | 29,100 | 29,100 |
| Motor Fuels | 559,000 | 565,000 | 6,000 | 580,000 | 15,000 |
| Motor Vehicle Fees | 301,094 | 272,000 | (29,094) | 294,320 | 22,320 |
| Transfer Inheritance | 556,000 | 500,000 | (56,000) | 545,000 | 45,000 |
| Insurance Premium | 449,000 | 432,000 | (17,000) | 443,000 | 11,000 |
| Cigarette | 678,000 | 636,000 | (42,000) | 612,000 | (24,000) |
| Petroleum Products Gross Receipts | 212,000 | 250,000 | 38,000 | 255,000 | 5,000 |
| Public Utility Excise | 8,700 | 9,000 | 300 | 9,000 | - |
| Corporation Banks and Financial Institutions | 132,000 | 85,000 | (47,000) | 85,000 | - |
| Alcoholic Beverage Excise | 88,000 | 87,000 | (1,000) | 91,000 | 4,000 |
| Realty Transfer | 286,000 | 345,000 | 59,000 | 405,000 | 60,000 |
| Tobacco Products Wholesale Sales | 10,000 | 12,000 | 2,000 | 12,000 | - |
| Total Major Taxes | 12,379,794 | 11,875,000 | (504,794) | 12,661,420 | 786,420 |
| Miscellaneous Taxes, Fees, Revenues | | | | | |
| Assessment on Houses Greater Than \$1 Million | 24,000 | 44,000 | 20,000 | 48,000 | 4,000 |
| Medicaid Uncompensated Care | 529,934 | 440,282 | (89,652) | 466,095 | 25,813 |
| Good Driver | 61,000 | 71,500 | 10,500 | 71,500 | - |
| Motor Vehicle Inspection Fund | 76,710 | 76,700 | (10) | 76,700 | - |
| Hotel/Motel Occupancy Tax | 65,118 | 65,118 | - | 65,118 | - |
| Public Utility GRFT | 69,000 | 75,000 | 6,000 | 75,000 | - |
| TEFA | 222,200 | 221,900 | (300) | 235,000 | 13,100 |
| Fringe Benefit Recoveries | 294,194 | 346,300 | 52,106 | 353,900 | 7,600 |
| Other Miscellaneous Revenue | 1,212,504 | 1,193,349 | (19,155) | 1,747,975 | 554,626 |
| Total Miscellaneous Taxes, Fees, Revenues | 2,554,660 | 2,534,149 | (20,511) | 3,139,288 | 605,139 |
| Interfund Transfers | | | | | |
| State Lottery Fund | 795,000 | 800,000 | 5,000 | 970,000 | 170,000 |
| Cigarette Tax Securitization Fund | 1,190,000 | 1,190,000 | - | - | (1,190,000) |
| Motor Vehicle Surcharge Securitization Fund | 740,000 | 740,000 | - | - | (740,000) |
| Tobacco Settlement Fund | - | - | - | 12,416 | 12,416 |
| Other Funds | 544,266 | 549,208 | 4,942 | 421,628 | (127,580) |
| Total Interfund Transfers | 3,269,266 | 3,279,208 | 9,942 | 1,404,044 | (1,875,164) |
| Total State Revenues General Fund | 18,203,720 | 17,688,357 | (515,363) | 17,204,752 | (483,605) |
| Property Tax Relief Fund | 8,855,000 | 9,055,000 | 200,000 | 9,650,000 | 595,000 |
| Casino Control Fund | 65,600 | 69,585 | 3,985 | 69,585 | - |
| Casino Revenue Fund | 474,880 | 482,150 | 7,270 | 487,204 | 5,054 |
| Gubernatorial Elections Fund | 1,500 | 1,500 | - | 1,500 | - |
| TOTAL STATE REVENUES | \$27,600,700 | \$27,296,592 | (\$304,108) | \$27,413,041 | \$116,449 |

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

This table summarizes the major increases and decreases in the Fiscal 2006 Budget and is organized by category.

Categories of recommended 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, 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)

| | <u>Increases</u> | <u>Decrease</u> | <u>Net Change</u> |
|--|------------------|-----------------|-----------------------|
| State Operations | | | |
| Salary Increase - State Employees | \$ 140.124 | | |
| State Employee Health Benefits | 83.904 | | |
| Child Welfare Reform/DYFS | 32.289 | | |
| State Retiree Medical | 26.693 | | |
| Pensions - State Employees | 20.028 | | |
| Prisoner Health Care | 7.535 | | |
| Education Statewide Assessment | 7.000 | | |
| Debt/Line of Credit | 6.737 | | |
| Workers' Compensation | 5.600 | | |
| New State Trooper Classes and Salaries | 4.417 | | |
| Fuel/Utilities and Household/Security | 3.769 | | |
| Public Defender | 3.438 | | |
| Employer Taxes | 3.434 | | |
| Developmental Center Enhancement - Woodbridge | 2.500 | | |
| Office of Inspector General | 2.500 | | |
| Veterans' Homes | 2.130 | | |
| Public Advocate | 2.000 | | |
| Drug Courts | 1.700 | | |
| Parole Board Staffing Ratios | 1.206 | | |
| Erosion of Federal Funds - Substance Abuse Treatment | 1.157 | | |
| Law Enforcement Programs | 1.031 | | |
| Implement the Patient Safety Act | 0.600 | | |

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

| | <u>Increases</u> | <u>Decrease</u> | <u>Net Change</u> |
|--|--------------------------|----------------------------|--------------------------|
| Gubernatorial Transition Costs | 0.600 | | |
| State Commission on Investigation | 0.522 | | |
| Juvenile Programs | 0.503 | | |
| Mental Health Community Care Growth | 0.500 | | |
| Commission on Ethical Standards Training and Audits | 0.450 | | |
| Asian Longhorned Beetle | 0.200 | | |
| CBT Dedication | 0.023 | | |
| Legislative Commissions | 0.017 | | |
| <i>Subtotal - State Operations Increases</i> | <u>\$ 362.607</u> | | |
| Employee Actions | | \$ (50.000) | |
| Non-Recurring Costs | | (21.281) | |
| Central Rent | | (12.012) | |
| Cash Management Reserve Fund | | (12.000) | |
| Virtual Library | | (6.000) | |
| Brisbane Closure January 2006 | | (5.543) | |
| Tort Claims | | (5.000) | |
| Women's Health Awareness Reduction | | (5.000) | |
| Department of Health and Senior Services Efficiencies | | (4.861) | |
| Division of Smart Growth | | (4.500) | |
| Department of Human Services Efficiencies | | (3.245) | |
| Cardiovascular Program | | (2.000) | |
| Department of Treasury Efficiencies | | (1.664) | |
| Department of Corrections Efficiencies | | (1.646) | |
| Department of Labor Efficiencies | | (1.066) | |
| Jersey City Armory | | (1.000) | |
| Statewide E-911 Emergency Telephone System | | (0.795) | |
| Department of Community Affairs Efficiencies | | (0.769) | |
| Chief Executive Efficiencies | | (0.550) | |
| New Jersey Network Efficiencies | | (0.500) | |
| Department of Personnel Efficiencies | | (0.500) | |
| Teacher Preparation - Shift to Federal Funds | | (0.500) | |
| Department of Law and Public Safety Efficiencies | | (0.450) | |
| Department of Agriculture Efficiencies | | (0.298) | |
| Other (Net) | | <u>(35.610)</u> | |
| <i>Subtotal - State Operations Decreases</i> | | <u>\$ (176.790)</u> | |
| <i>Net Change (State Operations)</i> | | | <u>\$ 185.817</u> |
| Grants-In-Aid | | | |
| Medicaid/General Assistance Health Care | \$ 217.304 | | |
| Nursing Homes and Alternatives | 71.724 | | |
| Child Welfare Reform/DYFS | 61.491 | | |
| Employee Health Benefits - Higher Education | 33.973 | | |
| Mental Health Community Care Growth | 26.300 | | |
| Senior Tax Freeze | 25.000 | | |
| Developmental Disabilities Annualization and Additional Placements | 23.418 | | |
| Portion of Salary Increase - Senior Public Colleges and Universities | 17.773 | | |
| Business Employment Incentive Program | 13.992 | | |

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

| | <u>Increases</u> | <u>Decrease</u> | <u>Net Change</u> |
|---|--------------------------|-----------------|-----------------------|
| Tuition Aid Grants | 9.585 | | |
| Brisbane Bridge Fund | 5.543 | | |
| General Assistance/Food Stamp Case Management | 5.076 | | |
| Federally Qualified Health Centers | 5.000 | | |
| Pensions - Higher Education | 4.893 | | |
| Retiree Health Benefits - Higher Education | 4.573 | | |
| College Loan Forgiveness Program for Mental Health Workers | 3.500 | | |
| Corrections Programs | 3.405 | | |
| Early Childhood Intervention Program | 3.000 | | |
| Greystone Redirection II | 2.600 | | |
| Postpartum Education Program | 2.500 | | |
| Assisted Living - 375 Additional Slots | 2.500 | | |
| Residential Health Care Facilities Growth | 2.200 | | |
| Postpartum Screening | 2.000 | | |
| Traumatic Brain Injury Waiver Additional Slots | 1.800 | | |
| Social Promotion Initiative | 1.500 | | |
| Supported Employment Services | 1.000 | | |
| Post Traumatic Stress Syndrome | 0.500 | | |
| Gubernatorial Election Costs | 0.425 | | |
| <i>Subtotal - Grants-In-Aid Increases</i> | <u>\$ 552.575</u> | | |
| Homestead Rebate/SAVER Program Changes | | \$ (1,070.823) | |
| Charity Care - Unemployment Insurance Diversion Increase | | (150.000) | |
| Homestead Rebate/SAVER Underspensing | | (140.000) | |
| Property Tax Assistance and Community Development Grants | | (88.000) | |
| Nursing Home Provider and IGT Alternative Savings | | (57.500) | |
| Cancer Programs | | (28.000) | |
| Medical Assistance Operational Efficiencies | | (23.880) | |
| Federal Community Care Waiver FY05 Shortfall | | (20.103) | |
| Hospital Assistance Grants | | (20.000) | |
| Statewide Livable Communities | | (16.000) | |
| Family Development Shift to Other Funds | | (15.000) | |
| University of Medicine and Dentistry of New Jersey | | (13.000) | |
| Change Frequency of Drug Manufacturer Price Updates - PAAD/Medicaid | | (11.387) | |
| Social Services Emergency Grants | | (10.000) | |
| Gubernatorial Elections Fund | | (8.270) | |
| Federal IV-E Disallowance FY05 | | (8.000) | |
| New Jersey After 3 | | (7.500) | |
| PAAD/Medicaid Refill Requirements to 85% | | (7.300) | |
| Selected Medicaid Services \$3 Copay | | (6.500) | |
| CBT Dedication | | (6.000) | |
| AIDS Drug Distribution Program Formulary Changes | | (5.000) | |
| Local Library Grants | | (4.000) | |
| Federal Financial Participation for Abbott Services | | (4.000) | |
| Cultural Projects | | (4.000) | |
| Pharmaceutical Assistance to the Aged and Disabled/Senior Gold | | (3.627) | |
| New Jersey Competitiveness Fund | | (3.000) | |
| \$1 Copay per Medicaid Prescription | | (3.000) | |
| Newark Museum | | (2.570) | |

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

| | <u>Increases</u> | <u>Decrease</u> | <u>Net Change</u> |
|---|------------------|------------------------------|------------------------------|
| County Jail Back-up - Decrease in Population | | (2.500) | |
| AIDS Prevention Promotion | | (2.000) | |
| NJSTARS | | (2.000) | |
| NJ Caring for Caregivers Initiative | | (2.000) | |
| Food Innovation Research Center | | (1.800) | |
| Essex County - South Mountain Arena Renovations | | (1.800) | |
| New Jersey Commerce, Economic Growth and Tourism Commission | | (1.760) | |
| Ewing Township - Municipal Purposes | | (1.500) | |
| Camden Aquarium Management Agreement | | (1.500) | |
| Boys and Girls Clubs of New Jersey | | (1.500) | |
| Battleship NJ Museum | | (1.500) | |
| Department of Health and Senior Services Efficiencies | | (1.480) | |
| Department of Agriculture Efficiencies | | (1.180) | |
| New Jersey Community College Strategic Partnership | | (1.000) | |
| Larc School - Bellmawr | | (1.000) | |
| Debt/Line of Credit | | (0.884) | |
| Nutley Township - Park Development | | (0.840) | |
| Big Brothers / Big Sisters | | (0.750) | |
| Kean University - Visual Arts/Medical Science Teaching Positions | | (0.750) | |
| NJ Commission on Science and Technology (Manufacturing Extension Program) | | (0.600) | |
| Hispanic Business Owners Outreach Program | | (0.600) | |
| Prosperity New Jersey | | (0.522) | |
| Employer Taxes - Higher Education | | (0.509) | |
| New Jersey Symphony Orchestra | | (0.500) | |
| Teacher Recruitment | | (0.415) | |
| Grant to ASPIRA | | (0.400) | |
| Nursing Camp Grants | | (0.360) | |
| United Way 2-1-1 System | | (0.350) | |
| Rutgers University Programs | | (0.350) | |
| New Jersey Collaborating Center for Nursing | | (0.345) | |
| Watson Institute for Public Policy | | (0.314) | |
| War Memorial - Marriott Operations | | (0.300) | |
| Camden Optometric Eye Center | | (0.300) | |
| Summer Academy for Professional Development | | (0.250) | |
| Waterloo Village | | (0.250) | |
| New Jersey Transfer Initiative | | (0.217) | |
| New Jersey Commission on Science & Technology - Conference Cost Share | | (0.200) | |
| Save Ellis Island | | (0.200) | |
| NJIT - Smart Shunt Research | | (0.150) | |
| Other (Net) | | (49.444) | |
| <i>Subtotal - Grants-In-Aid Decreases</i> | | <u>\$ (1,820.780)</u> | |
| <i>Net Change (Grants-In-Aid)</i> | | | <u>\$ (1,268.205)</u> |

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

| | <u>Increases</u> | <u>Decrease</u> | <u>Net Change</u> |
|---|-------------------|---------------------|-----------------------|
| State Aid | | | |
| Teachers' Pension and Annuity Fund | \$ 94.516 | | |
| Post Retirement Medical - Teachers' Pension and Annuity Fund | 94.444 | | |
| School Construction and Renovation Fund | 83.789 | | |
| Family Development Block Grant - State Supplement | 52.551 | | |
| Education Opportunity Aid | 49.029 | | |
| Local School Districts Teacher Social Security Payments | 31.000 | | |
| General Assistance and Supplemental Security Income Caseload | 29.541 | | |
| Education Cash Flow Payment | 12.050 | | |
| County Psychiatric Hospitals | 11.065 | | |
| Abbott Preschool Expansion Aid | 10.000 | | |
| Debt/Line of Credit | 9.577 | | |
| Elderly and Handicapped Transportation - Casino Revenue Dedication | 9.065 | | |
| Aid to County Colleges | 3.459 | | |
| Local Police and Fire Pension Contribution | 3.458 | | |
| General Assistance County Administration | 2.200 | | |
| School Breakfast Additional Schools | 0.642 | | |
| | <u>0.642</u> | | |
| Subtotal - State Aid Increases | \$ 496.386 | | |
| High Expectations for Learning Proficiency | | \$ (17.000) | |
| Above Average Enrollment Growth | | (12.000) | |
| Early Launch to Learning Initiative (ELLI) | | (11.000) | |
| Statewide Local Domestic Preparedness Equipment Grant Program | | (10.000) | |
| Extraordinary Aid | | (10.000) | |
| County Colleges Supplemental Workforce Fund Offset | | (6.000) | |
| Special Municipal Aid | | (5.000) | |
| Englewood Implementation | | (4.000) | |
| Nonpublic School Capital | | (3.000) | |
| Taxpayer Hero Grants | | (2.500) | |
| Positive Achievement and Cost Effectiveness | | (2.500) | |
| Unknown District of Residence | | (2.400) | |
| Local Tire Management Program | | (2.300) | |
| North Bergen School District - Facilities Leasing | | (1.900) | |
| Other Education Aid | | (1.593) | |
| School District of Trenton - Security | | (1.500) | |
| Regional Efficiency Aid Program | | (1.000) | |
| Montclair Board of Education - Minority Student Achievement Network | | (1.000) | |
| Settlement School | | (1.000) | |
| Lawrence Township (Mercer) School District Extraordinary Aid | | (0.750) | |
| Montclair Board of Education - Desegregation Aid | | (0.500) | |
| County Offices on Aging - Federal Medicaid Match | | (0.433) | |
| Additional School Building Aid | | (0.180) | |
| EIRC - P20 Program | | (0.125) | |
| County Special Services Restoration Aid | | (0.120) | |
| Other (Net) | | (17.094) | |
| | | <u>(17.094)</u> | |
| Subtotal - State Aid Decreases | | \$ (114.895) | |
| Net Change (State Aid) | | | \$ 381.491 |

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

| | <u>Increases</u> | <u>Decrease</u> | <u>Net Change</u> |
|--|----------------------------|------------------------------|----------------------------|
| Capital Construction | | | |
| Critical Fire, Life and Health Safety - Prisons | \$ 5.000 | | |
| Garden State Network Security and Communication Center | 3.950 | | |
| New Jersey State Police Emergency Operations Center | 3.555 | | |
| Statewide Security Enhancements | 3.000 | | |
| Availability and Recovery Site (OARS) | 1.400 | | |
| State Police Radio System Sites Upgrades | 0.500 | | |
| Veterans Homes HVAC Improvements | <u>0.175</u> | | |
| Subtotal - Capital Construction Increases | <u>\$ 17.580</u> | | |
| CBT Dedication | | \$ (26.863) | |
| Paramus Veterans Home and WWII Memorial | | (2.627) | |
| Liberty Science Center | | (2.000) | |
| NJN Microwave Technology | | (1.000) | |
| Bayside Locking System | | (0.500) | |
| Other (Net) | | <u>(15.699)</u> | |
| Subtotal - Capital Construction Decreases | | <u>\$ (48.689)</u> | |
| Net Change (Capital Construction) | | | <u>\$ (31.109)</u> |
| | | | |
| Debt Service | | | |
| Refunding Savings | | \$ (249.575) | |
| General Obligation Debt Service | | <u>(6.582)</u> | |
| Subtotal - Debt Service Decreases | | <u>\$ (256.157)</u> | |
| Net Change (Debt Service) | | | <u>\$ (256.157)</u> |
| | | | |
| GRAND TOTAL | <u>\$ 1,429.148</u> | <u>\$ (2,417.311)</u> | <u>\$ (988.163)</u> |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Major Taxes | | | |
| Sales | 6,261,700 | 6,520,000 | 7,175,000 |
| Corporation Business | 2,358,258 | 2,162,000 | 2,155,100 |
| Cigarette | 612,167 | 636,000 | 612,000 |
| Motor Fuels | 566,831 | 565,000 | 580,000 |
| Transfer Inheritance | 516,008 | 500,000 | 545,000 |
| Insurance Premium | 417,873 | 432,000 | 443,000 |
| Realty Transfer | 227,064 | 345,000 | 405,000 |
| Motor Vehicle Fees | 235,254 | 272,000 | 294,320 |
| Petroleum Products Gross Receipts | 216,247 | 250,000 | 255,000 |
| Alcoholic Beverage Excise | 87,357 | 87,000 | 91,000 |
| Corporation Banks and Financial Institutions | 141,432 | 85,000 | 85,000 |
| Tobacco Products Wholesale Sales | 10,345 | 12,000 | 12,000 |
| Public Utility Excise (Reform) | 9,321 | 9,000 | 9,000 |
| <i>Total Major Taxes</i> | <i>11,659,857</i> | <i>11,875,000</i> | <i>12,661,420</i> |
| Miscellaneous Taxes, Fees, Revenues | | | |
| Executive Branch-- | | | |
| Department of Agriculture: | | | |
| Animal Health - Laboratory Test Fees | 154 | --- | --- |
| Environmental Services | 289 | --- | --- |
| Fertilizer Inspection Fees | 506 | 291 | 366 |
| Milk Control Licenses and Fees | 710 | --- | --- |
| Miscellaneous Revenue | 353 | 4 | 4 |
| | 2,012 | 295 | 370 |
| Department of Banking and Insurance: | | | |
| Actuarial Services | 46 | 54 | 54 |
| Bank Assessments | 3,685 | 3,800 | 3,700 |
| Banking - Examination Fees | 2,300 | 2,260 | 2,300 |
| Banking - Licenses and Other Fees | 12,265 | 6,600 | 7,200 |
| FAIR Act Administration | 16,863 | 15,000 | 15,000 |
| Fraud Fines | 1,955 | 2,000 | 2,000 |
| Insurance - Special Purpose Assessment | 14,969 | 16,500 | 16,500 |
| Insurance Examination Billings | 1,750 | 2,200 | 2,300 |
| Insurance Fraud Prevention | 33,240 | 35,000 | 34,000 |
| Insurance Licenses and Other Fees | 12,087 | 12,530 | 12,530 |
| Public Adjusters Licenses | 46 | --- | --- |
| Real Estate Commission | 10,318 | 6,500 | 6,500 |
| | 109,524 | 102,444 | 102,084 |
| Department of Community Affairs: | | | |
| Affordable Housing and Neighborhood Preservation - Fair Housing | 19,439 | 20,003 | 20,003 |
| Boarding Home Fees | 515 | --- | --- |
| Construction Fees | 18,191 | 12,766 | 12,766 |
| Divorce Filing Fees | 1,265 | 1,276 | 1,276 |
| Fire Safety | 23,232 | 15,039 | 15,039 |
| Housing Inspection Fees | 9,599 | 7,806 | 7,806 |
| Miscellaneous Revenue | 82 | --- | --- |
| NJ Meadowlands Commission | 3,637 | --- | --- |
| Planned Real Estate Development Fees | 2,339 | 828 | 828 |
| Truth In Renting | 180 | --- | --- |
| | 78,479 | 57,718 | 57,718 |
| Department of Corrections: | | | |
| Miscellaneous Revenue | 5 | --- | --- |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Department of Education: | | | |
| Audit Recoveries | 690 | 775 | 775 |
| Audit of Enrollments | 1,288 | 1,400 | 1,000 |
| Local School District Loan Recoveries-NJ Economic Development Authority | 9,186 | 9,100 | 8,380 |
| Miscellaneous Revenue | 116 | 50 | 50 |
| Nonpublic Schools Handicapped and Auxiliary Recoveries | 12,809 | --- | --- |
| Nonpublic Schools Textbook Recoveries | 1,523 | 1,450 | 1,500 |
| School Construction Inspection Fees | 3,519 | 3,246 | 3,246 |
| State Board of Examiners | 3,344 | 3,971 | 3,125 |
| | <hr/> | <hr/> | <hr/> |
| | 32,475 | 19,992 | 18,076 |
| Department of Environmental Protection: | | | |
| Air Pollution Fees - Minor Sources | 3,784 | 4,000 | 4,000 |
| Air Pollution Fees - Title V Operating Permits | 13,501 | 11,650 | 14,750 |
| Air Pollution Fines | 5,628 | 3,500 | 3,500 |
| Clean Water Enforcement Act | 2,157 | 2,000 | 2,300 |
| Coastal Area Development Review Act | 1,667 | 1,750 | 1,750 |
| Endangered Species Tax Checkoff | 258 | 279 | 235 |
| Environmental Infrastructure Financing Program-Administrative Fee | 5,000 | 5,000 | 5,000 |
| Excess Diversion | 328 | 283 | 283 |
| Freshwater Wetlands Fees | 3,568 | 3,060 | 3,060 |
| Freshwater Wetlands Fines | 97 | 300 | 300 |
| Hazardous Discharge Site Cleanup | 8,843 | --- | --- |
| Hazardous Waste Fees | 2,437 | 2,107 | 2,580 |
| Hazardous Waste Fines | 984 | 400 | 400 |
| Highlands Permitting | --- | 1,558 | 2,166 |
| Hunters' and Anglers' Licenses | 12,162 | 12,500 | 12,500 |
| Industrial Site Recovery Act | 1,209 | 1,000 | 1,000 |
| Laboratory Certification Fees | 791 | 780 | 780 |
| Laboratory Certification Fines | 13 | 20 | 20 |
| Marina Rentals | 1,335 | 885 | 885 |
| Marine Lands - Preparation and Filing Fees | 1,871 | 170 | 170 |
| Medical Waste | 4,080 | 3,800 | 3,800 |
| Miscellaneous Revenue | 2 | 11 | 11 |
| New Jersey Pollutant Discharge Elimination System/Stormwater Permits | 12,156 | 12,100 | 12,100 |
| New Jersey Spill Compensation Fund | 2,955 | --- | --- |
| Parks Management Fees and Permits | 5,249 | 4,300 | 4,300 |
| Parks Management Fines | 161 | 160 | 160 |
| Pesticide Control Fees | 4,278 | 4,200 | 4,200 |
| Pesticide Control Fines | 59 | 50 | 50 |
| Pollution Prevention Fund | 263 | --- | --- |
| Radiation Protection Fees | 3,326 | 4,400 | 3,700 |
| Radiation Protection Fines | 88 | 88 | 88 |
| Radon Testers Certification | 238 | 240 | 240 |
| Safe Drinking Water Fund | 864 | --- | --- |
| Shellfish and Marine Fisheries | 10 | 7 | 7 |
| Solid Waste - Utility Regulation Assessments | 3,207 | 3,100 | 3,100 |
| Solid Waste Fines - DEP | 578 | 500 | 700 |
| Solid Waste Management Fees - DEP | 4,569 | 11,697 | 8,212 |
| Solid and Hazardous Waste Disclosure | 2,979 | --- | --- |
| Spring Meadow Golf Course | 300 | 300 | 300 |
| Stormwater Permits | 2,995 | 4,800 | 4,800 |
| Stream Encroachment | 1,717 | 1,720 | 1,720 |
| Toxic Catastrophe Prevention Fees | 1,237 | 1,550 | 1,550 |
| Toxic Catastrophe Prevention Fines | 69 | 40 | 40 |
| Treatment Works Approval | 1,629 | 1,969 | 2,073 |
| Underground Storage Tanks Fees | 1,062 | 1,000 | 1,000 |
| Water Allocation | 3,197 | 2,050 | 2,050 |
| Water Supply Fund | 20 | --- | --- |
| Water Supply Management Regulations | 1,530 | 1,387 | 1,390 |
| Water/Wastewater Operators Licenses | 215 | 215 | 215 |
| Waterfront Development Fees | 2,017 | 2,200 | 2,200 |
| Waterfront Development Fines | 116 | 10 | 10 |
| Well Permits/Well Drillers/Pump Installers Licenses | 982 | 1,100 | 1,080 |
| Wetlands | 24 | 24 | 24 |
| Worker Community Right to Know - Fines | 15 | 20 | 20 |
| | <hr/> | <hr/> | <hr/> |
| | 127,820 | 114,280 | 114,819 |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Department of Health and Senior Services: | | | |
| Admission Charge Hospital Assessment | 6,000 | 6,000 | 6,000 |
| Clinical Laboratory | 563 | --- | --- |
| Consumer Health Penalties | 4,287 | --- | --- |
| HMO Covered Lives | 1,739 | 2,600 | 2,600 |
| Health Care Reform | 1,200 | 1,200 | 1,200 |
| Licenses, Fines, Permits, Penalties & Fees | 3,491 | 790 | 790 |
| Miscellaneous Revenue | 1,197 | 400 | 400 |
| Pharmaceutical Assistance to the Aged - Recoveries | 4,029 | --- | --- |
| | 22,506 | 10,990 | 10,990 |
| Department of Human Services: | | | |
| Child Care Licensing/Adoption Law | 337 | 350 | 350 |
| Commission for the Blind - Miscellaneous | 594 | --- | --- |
| Early Periodic Screening, Diagnosis and Treatment | 16,208 | 4,000 | 4,000 |
| Interim Assistance | 385 | --- | --- |
| Marriage License Fees | 1,266 | 1,450 | 1,450 |
| Medicaid Uncompensated Care - Acute | 305,035 | 223,650 | 254,355 |
| Medicaid Uncompensated Care - Mental Health | 32,414 | 34,186 | 33,055 |
| Medicaid Uncompensated Care - Psychiatric | 171,088 | 182,446 | 178,685 |
| Medical Assistance - Recoveries | 19,748 | --- | --- |
| Medical Assistance-Federal Match on PAAD/Medicaid Dual Eligibles | 228 | 2,200 | 2,200 |
| Miscellaneous Revenue | 787 | 48,500 | 5,500 |
| Patients' and Residents' Cost Recovery - Developmental Disability | 14,779 | 16,221 | 16,221 |
| Patients' and Residents' Cost Recovery - Psychiatric Hospitals | 74,832 | 58,767 | 59,600 |
| Payments for Medical Assistance Recipients - Prescription Drugs | 197,038 | --- | --- |
| Purchased Institutional Care | 3,828 | --- | --- |
| School Based Medicaid | 17,564 | 19,000 | 16,126 |
| | 856,131 | 590,770 | 571,542 |
| Department of Labor and Workforce Development: | | | |
| Special Compensation Fund | 2,012 | 1,685 | 1,685 |
| State Disability Benefits Fund | 6,898 | --- | --- |
| Urban Enterprise Zone Administration Cost | 25 | --- | --- |
| Workers' Compensation Assessment | 18,159 | 12,130 | 12,130 |
| Workforce Development | 16,651 | --- | --- |
| Workplace Standards - Licenses, Permits and Fines | 8,895 | 2,820 | 2,820 |
| | 52,640 | 16,635 | 16,635 |
| Department of Law and Public Safety: | | | |
| Authorities Recruit Class Reimbursement | --- | 2,500 | 2,500 |
| Beverage Licenses | 8,736 | 3,960 | 3,960 |
| Charities Registration Section | 1,355 | 695 | 695 |
| Consumer Affairs | 7,524 | --- | --- |
| Controlled Dangerous Substances | 789 | 100 | 100 |
| Criminal Disposition | 465 | --- | --- |
| EDA School Construction Recoveries | 823 | 800 | 800 |
| General Client Services | 29,424 | --- | --- |
| Legal Services | 22,228 | --- | --- |
| Legalized Games of Chance Control | 1,216 | 1,200 | 1,200 |
| Miscellaneous Revenue | 419 | --- | 400 |
| New Jersey Cemetery Board | 203 | 132 | 120 |
| Pleasure Boat Licenses | 3,028 | 3,000 | 3,000 |
| Private Employment Agencies | 687 | 258 | 258 |
| Retired Officer Handgun Permit | 215 | --- | --- |
| Safe & Secure Receipts | 276 | --- | --- |
| Securities Enforcement | 19,778 | 8,994 | 7,794 |
| State Board of Architects | 841 | 480 | 450 |
| State Board of Audiology and Speech-Language Pathology Advisory | 422 | 25 | 270 |
| State Board of Certified Psychoanalysts | --- | 50 | 50 |
| State Board of Certified Public Accountants | 575 | 176 | 1,425 |
| State Board of Chiropractors | 1,025 | 240 | 675 |
| State Board of Cosmetology and Hairstyling | 2,877 | 2,680 | 625 |
| State Board of Dentistry | 3,182 | 280 | 1,415 |
| State Board of Electrical Contractors | 437 | 40 | 1,200 |
| State Board of Marriage Counselor Examiners | 338 | 400 | 150 |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| State Board of Master Plumbers | 181 | 640 | 75 |
| State Board of Medical Examiners | 3,741 | 4,400 | 2,125 |
| State Board of Mortuary Science | 572 | 320 | 300 |
| State Board of Nursing | 6,804 | 3,900 | 3,750 |
| State Board of Occupational Therapists and Assistants | 639 | 60 | 375 |
| State Board of Ophthalmic Dispensers and Ophthalmic Technicians | 441 | 48 | 270 |
| State Board of Optometrists | 76 | 400 | 30 |
| State Board of Orthotics and Prosthetics | 51 | 80 | 31 |
| State Board of Pharmacy | 1,136 | 760 | 300 |
| State Board of Physical Therapy | 1,051 | 120 | 600 |
| State Board of Professional Engineers and Land Surveyors | 1,857 | 360 | 1,050 |
| State Board of Professional Planners | 456 | 40 | 45 |
| State Board of Psychological Examiners | 217 | 180 | 75 |
| State Board of Real Estate Appraisers | 1,623 | 120 | 1,050 |
| State Board of Respiratory Care | 420 | 25 | 150 |
| State Board of Shorthand Reporting | 130 | 25 | 75 |
| State Board of Social Workers | 740 | 700 | 300 |
| State Board of Veterinary Medical Examiners | 183 | 360 | 60 |
| State Police - Fingerprint Fees | 11,871 | 2,694 | 2,694 |
| State Police - Other Licenses | 229 | 230 | 230 |
| State Police - Private Detective Licenses | 472 | 220 | 220 |
| State Police Recruit Training | 77 | --- | --- |
| Victim and Witness Advocacy Fund | 1,267 | --- | --- |
| Violent Crime Compensation | 8,619 | 3,930 | 3,930 |
| Weights and Measures - General | 3,647 | 2,612 | 2,612 |
| | <u>153,363</u> | <u>48,234</u> | <u>47,434</u> |
| Department of Military and Veterans' Affairs: | | | |
| Miscellaneous Revenue | 2,173 | --- | --- |
| Soldiers' Homes | 29,542 | 29,739 | 29,690 |
| | <u>31,715</u> | <u>29,739</u> | <u>29,690</u> |
| Department of Personnel: | | | |
| Examination Fees | 2,040 | --- | --- |
| Human Resource Development Institute | 3,167 | --- | --- |
| | <u>5,207</u> | <u>---</u> | <u>---</u> |
| Department of State: | | | |
| Autism Medical Research | 1,387 | --- | --- |
| Miscellaneous Revenue | 42 | --- | --- |
| | <u>1,429</u> | <u>---</u> | <u>---</u> |
| Department of Transportation: | | | |
| Air Safety Fund | 1,841 | 965 | 965 |
| Applications and Highway Permits | 2,125 | 1,300 | 1,300 |
| Auto Body Repair Shop Licensing | 30 | 598 | 18 |
| Autonomous Transportation Authorities | 24,708 | 2,500 | 2,500 |
| Drunk Driving Fines | 369 | 350 | 350 |
| Good Driver | 76,259 | 71,500 | 71,500 |
| Graduated Driver's License | 1,381 | 1,385 | 1,390 |
| Heavy Duty Diesel Fines | 427 | 430 | 450 |
| Interest on Purchase of Right of Way | --- | 5 | 5 |
| Logo Sign Program Fees | 443 | 300 | 300 |
| Miscellaneous Revenue | 50 | 200 | 200 |
| Motor Vehicle Database-Automated Access | 49,596 | 49,800 | 50,000 |
| Motor Vehicle Fees | 114 | --- | --- |
| Motor Vehicle Inspection Fund | 77,702 | 76,700 | 76,700 |
| Outdoor Advertising | 7,417 | 6,740 | 6,740 |
| Parking Offenses | 426 | 408 | 410 |
| Photo Licensing | 47 | --- | --- |
| Placarded Railcar | 85 | --- | --- |
| Rental Receipts - Tenant Relocation Program | 359 | --- | --- |
| Salvage Title Program | 1,071 | 1,100 | 1,100 |
| Special Plate Fees | 1,025 | 750 | 750 |
| Uninsured Motorists Program | 5,337 | 3,400 | 3,400 |
| | <u>250,812</u> | <u>218,431</u> | <u>218,078</u> |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Department of the Treasury: | | | |
| Assessment on Houses Greater Than \$1 Million | --- | 44,000 | 48,000 |
| Assessments - Cable TV | 3,984 | 4,241 | 4,241 |
| Assessments - Public Utility | 24,874 | 26,058 | 26,058 |
| Asset Sales | --- | --- | 500,000 |
| Cable Industry Equity Fee | --- | --- | 50,000 |
| Casino Fines | 577 | --- | --- |
| Coin Operated Telephones | 3,829 | 3,200 | 2,800 |
| Commercial Recording - Expedited | 3,430 | 2,853 | 2,853 |
| Communication Fee - Lottery | 438 | --- | --- |
| Cost Assessment | 3,881 | --- | --- |
| DMV Securitization | 144 | --- | --- |
| Dormitory Safety Trust Fund - Debt Service Recovery | --- | 5,731 | 5,796 |
| Equipment Leasing Fund - Debt Service Recovery | 4,084 | 4,642 | 4,642 |
| Escrow Interest - Construction Accounts | 15 | 22 | 24 |
| Fines Amnesty | --- | --- | 15,000 |
| General Revenue - Fees (Commercial Recording and UCC) | 42,665 | 35,685 | 35,685 |
| Higher Education Capital Improvement Fund - Debt Service Recovery | --- | 11,250 | 12,237 |
| Hotel/Motel Occupancy Tax | 80,972 | 65,118 | 65,118 |
| Investment Earnings | 18,389 | --- | --- |
| Miscellaneous Revenue | 3,011 | 853 | 853 |
| NJ Economic Development Authority | 22,025 | 2,200 | 1,973 |
| NJ Public Records Preservation | --- | 39,000 | 39,000 |
| Notary Commissions | 1,314 | 1,100 | 1,100 |
| Nuclear Emergency Response Assessment | 4,011 | 5,067 | 4,139 |
| Office of Dispute Settlement (ODS) Mediation Fees | 170 | 158 | 158 |
| Public Defender Client Receipts | 4,499 | 4,900 | 4,900 |
| Public Utility - Customer Specific Tax | 1,868 | 1,868 | 1,868 |
| Public Utility Fines | 5,840 | --- | 3,000 |
| Public Utility Gross Receipts and Franchise Taxes (Water/Sewer) | 76,849 | 75,000 | 75,000 |
| Railroad Tax - Class II | 3,660 | 3,100 | 3,100 |
| Railroad Tax - Franchise | 621 | 590 | 590 |
| Rate Payer Advocate | 6,769 | 6,297 | 6,297 |
| Sale of Real Property | 6,249 | --- | --- |
| Simplified Sales Tax Implementation/Amnesty | --- | --- | 40,000 |
| State Disability Benefits Fund | 30 | --- | --- |
| Stormwater Management-Combined Sewer Overflow | 1,075 | --- | --- |
| Surplus Property | 950 | 950 | 950 |
| Tax Audit Services - Uncollected Revenue Recovery | 266 | --- | --- |
| Tax Referral Cost Recovery Fee | 3,210 | 6,000 | 6,700 |
| Telephone Assessment | --- | 115,000 | 119,000 |
| Tire Clean-Up Surcharge | --- | 8,300 | 9,000 |
| Transitional Energy Facilities Assessment | 249,522 | 221,900 | 235,000 |
| | 579,221 | 695,083 | 1,325,082 |
| Other Sources: | | | |
| Miscellaneous Revenue | 725 | 500 | 500 |
| Interdepartmental Accounts: | | | |
| Administration and Investment of Pension & Health Benefit Funds - Recoveries | 47,031 | 61,300 | 49,500 |
| Employee Maintenance Deductions | 300 | 300 | 300 |
| Fringe Benefit Recoveries from Colleges and Universities | 104,352 | 118,000 | 120,000 |
| Fringe Benefit Recoveries from Federal and Other Funds | 156,869 | 194,000 | 198,000 |
| Fringe Benefit Recoveries from School Districts | 34,755 | 34,300 | 35,900 |
| Indirect Cost Recoveries - DEP Other Funds | 9,803 | 10,223 | 10,500 |
| MTF Revenue Fund | 90,551 | 86,500 | 87,500 |
| Miscellaneous Revenue | 30 | --- | --- |
| Rent of State Building Space | 1,913 | 1,900 | 1,900 |
| Social Security Recoveries from Federal and Other Funds | 52,357 | 55,000 | 56,000 |
| Standard Offer Payments - Utilities | 789 | --- | --- |
| | 498,750 | 561,523 | 559,600 |
| Judicial Branch-- | | | |
| The Judiciary: | | | |
| Civil Arbitration Program | 3,089 | --- | --- |
| Court Fees | 65,278 | 67,515 | 66,670 |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Court Unification County Reimbursements | 2,200 | --- | --- |
| Miscellaneous Revenue | 337 | --- | --- |
| | <u>70,904</u> | <u>67,515</u> | <u>66,670</u> |
| <i>Total Miscellaneous Taxes, Fees, Revenues</i> | 2,873,718 | 2,534,149 | 3,139,288 |
| Interfund Transfers | | | |
| Beaches and Harbor Fund | 14 | 15 | 15 |
| Cigarette Tax Securitization Fund | --- | 1,190,000 | --- |
| Clean Waters Fund | 22 | 15 | 10 |
| Correctional Facilities Construction Fund | 6 | 9 | 8 |
| Correctional Facilities Construction Fund of 1987 | 30 | 22 | 9 |
| Cultural Centers and Historic Preservation Fund | 48 | 50 | 30 |
| Dam, Lake, Stream and Flood Control Project Fund - 2003 | --- | --- | 150 |
| Developmental Disabilities Waiting List Reduction Fund | 354 | 384 | 166 |
| Dredging and Containment Facility Fund | 269 | 338 | 338 |
| Emergency Flood Control Fund | 4 | 5 | 5 |
| Energy Conservation Fund | 1 | 4 | 15 |
| Enterprise Zone Assistance Fund | 2,505 | 3,164 | 3,673 |
| Fund for the Support of Free Public Schools | --- | 890 | 1,680 |
| Garden State Farmland Preservation Trust Fund | 1,650 | 1,762 | 1,762 |
| Garden State Green Acres Preservation Trust Fund | 4,562 | 5,000 | 5,000 |
| Garden State Historic Preservation Trust Fund | 311 | 617 | 617 |
| Hazardous Discharge Fund | 2 | 3 | 3 |
| Hazardous Discharge Site Cleanup Fund | 2,718 | 12,537 | 9,638 |
| Human Services Facilities Construction Fund | 2 | 2 | --- |
| Institutional Construction Fund | 7 | --- | --- |
| Institutions Construction Fund | 4 | --- | --- |
| Jobs, Education and Competitiveness Fund | 139 | 94 | 27 |
| Judiciary Bail Fund | 278 | 375 | 375 |
| Judiciary Child Support and Paternity Fund | 261 | 315 | 315 |
| Judiciary Probation Fund | 105 | 195 | 195 |
| Judiciary Special Civil Fund | 26 | 40 | 40 |
| Judiciary Superior Court Miscellaneous Fund | 59 | 65 | 65 |
| Legal Services Fund | 10,409 | 10,410 | 10,410 |
| Medical Education Facilities Fund | 520 | --- | --- |
| Mortgage Assistance Fund | 696 | 722 | 711 |
| Motor Vehicle Security Responsibility Fund | 3 | 3 | 3 |
| Motor Vehicle Surcharge Securitization Fund | --- | 740,000 | --- |
| Mutual Workers' Compensation Security Fund | --- | 5,000 | --- |
| NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund | 155 | 98 | 85 |
| Natural Resources Fund | 32 | 46 | 28 |
| New Jersey Green Acres Fund - 1983 | 221 | 250 | 250 |
| New Jersey Insolvent Health Maintenance Organization Assistance Fund | 273 | --- | --- |
| New Jersey Spill Compensation Fund | 14,522 | 14,037 | 15,037 |
| New Jersey Workforce Development Partnership Fund | 40,333 | 17,159 | 17,159 |
| Pollution Prevention Fund | 2,347 | 2,380 | 1,803 |
| Public Buildings Construction Fund | 5 | --- | --- |
| Public Purpose Buildings Construction Fund | 2 | 2 | 1 |
| Public Purpose and Community Based Facilities Construction Fund | 135 | 74 | 71 |
| Real Estate Guaranty Fund | 1,000 | --- | --- |
| Safe Drinking Water Fund | 2,251 | 2,339 | 2,339 |
| School Fund Investment Account | 1,516 | 3,532 | 3,532 |
| Shore Protection Fund | 190 | 227 | 223 |
| Solid Waste Service Tax Fund | 2 | 2 | 2 |
| State Disability Benefit Fund | 55,219 | 136,654 | 26,685 |
| State Land Acquisition and Development Fund | 11 | 6 | 5 |
| State Lottery Fund | 794,972 | 800,000 | 970,000 |
| State Lottery Fund - Administration | 20,614 | 30,400 | 22,400 |
| State Recreation and Conservation Land Acquisition and Development Fund | 12 | 13 | 11 |
| State Recycling Fund | 949 | 1,046 | --- |
| State of New Jersey Cash Management Fund | 3,034 | 3,034 | 3,034 |
| Statewide Transportation and Local Bridge Fund | 3,400 | 2,100 | --- |
| Supplemental Workforce Fund for Basic Skills | 1,667 | 2,000 | 2,000 |
| Tobacco Settlement Fund/Securitization | 1,610,782 | --- | 12,416 |
| Transportation Rehabilitation and Improvement Fund | 3 | 3 | 3 |
| Unclaimed Insurance Payments on Deposits Trust Fund | 22 | 30 | 27 |

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Unclaimed Personal Property Trust Fund | 164,760 | 194,075 | 194,075 |
| Unclaimed Utility Deposits Trust Fund | 21 | 25 | 23 |
| Unemployment Compensation Auxiliary Fund | 17,530 | 17,663 | 17,607 |
| Universal Services Fund | 72,431 | 72,468 | 72,468 |
| Unsatisfied Claim and Judgment Fund | 1,337 | --- | --- |
| Wage and Hour Trust Fund | 11 | 75 | 75 |
| Water Conservation Fund | 25 | 26 | 17 |
| Water Supply Fund | 3,486 | 3,865 | 3,865 |
| Worker and Community Right to Know Fund | 3,141 | 3,543 | 3,543 |
| <i>Total Interfund Transfers</i> | <u>2,841,416</u> | <u>3,279,208</u> | <u>1,404,044</u> |
| <i>Total State Revenues General Fund</i> | <u>17,374,991</u> | <u>17,688,357</u> | <u>17,204,752</u> |
| PROPERTY TAX RELIEF FUND | | | |
| Gross Income Tax | <u>7,400,733</u> | <u>9,055,000</u> | <u>9,650,000</u> |
| CASINO CONTROL FUND | | | |
| Investment Earnings | 185 | 300 | 300 |
| License Fees | <u>64,461</u> | <u>69,285</u> | <u>69,285</u> |
| <i>Total Casino Control Fund</i> | <u>64,646</u> | <u>69,585</u> | <u>69,585</u> |
| CASINO REVENUE FUND | | | |
| Casino Simulcasting Fund | 700 | 600 | 800 |
| Gross Revenue Tax | 377,555 | 392,000 | 400,000 |
| Investment Earnings | 79 | 780 | 780 |
| Other Casino Taxes and Fees | 89,737 | 88,770 | 85,624 |
| PAAD Recoveries | <u>127,920</u> | <u>---</u> | <u>---</u> |
| <i>Total Casino Revenue Fund</i> | <u>595,991</u> | <u>482,150</u> | <u>487,204</u> |
| GUBERNATORIAL ELECTIONS FUND | | | |
| Taxpayers' Designations | <u>603</u> | <u>1,500</u> | <u>1,500</u> |
| TOTAL STATE REVENUES | <u>25,436,964</u> | <u>27,296,592</u> | <u>27,413,041</u> |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Dedicated: | | | |
| Executive Branch-- | | | |
| Chief Executive: | | | |
| State Authority Review and Oversight | 1,273 | 1,100 | 1,100 |
| Department of Agriculture: | | | |
| Administration - Development Potential Transfer Bank | 74 | 240 | 400 |
| Administrative Costs - Farmland Preservation | 500 | 651 | 700 |
| Agro-Terrorism | --- | 278 | 278 |
| Animal Disease Control | --- | 153 | 153 |
| Commodity Distribution | 2,242 | 1,501 | 1,501 |
| Fruit and Vegetable Grading Service | 361 | 162 | 162 |
| Future Farmers of America - Student Loans from Department of Education | 100 | 75 | 75 |
| Horse Breeding and Development Fund | 407 | 380 | 380 |
| Marketing and Development Services | --- | 724 | 724 |
| Nursery Inspection Program | --- | 265 | 265 |
| Organic Certification | 110 | 300 | 300 |
| Plant Pest and Disease Control | --- | 23 | 23 |
| Poultry Service | 965 | 810 | 810 |
| Promotion/Market Development | 107 | --- | --- |
| Sire Stakes | 4,354 | 4,300 | 5,000 |
| Soil and Water Conservation Grants | --- | --- | 700 |
| Standardbred Breeder Awards | 253 | 220 | 240 |
| Stormwater Discharge Permit Fees | --- | 600 | 600 |
| Wine Promotion Program | --- | 90 | 90 |
| Miscellaneous | 316 | 232 | 227 |
| | 9,789 | 11,004 | 12,628 |
| Department of Banking and Insurance: | | | |
| Individual Health Care Program Assessments | 1,258 | 7,500 | 6,600 |
| Public Adjusters Licensing | --- | 52 | 52 |
| Small Employer Health Benefits | 242 | 380 | 380 |
| Supervision and Examination of Financial Institutions | --- | 400 | 400 |
| Miscellaneous | 64 | 64 | 64 |
| | 1,564 | 8,396 | 7,496 |
| Department of Community Affairs: | | | |
| Boarding Home Regulation and Assistance | --- | 750 | 926 |
| Emergency Lead Poisoning Relocation Fund | 1,000 | --- | --- |
| Fire Certification Program | 337 | 318 | 364 |
| Grants to Displaced Homemaker Centers | 697 | 688 | 688 |
| Historic Preservation License | 27 | 25 | 25 |
| Housing Code Enforcement | --- | 2,824 | 3,458 |
| Housing Opportunities for Persons with AIDS | 974 | 923 | 923 |
| Housing Services | 51,667 | 51,182 | 51,001 |
| Lead Hazard Control Assistance Fund Administration | --- | 500 | 500 |
| New Home Warranty Program | 3,816 | 4,316 | 4,816 |
| New Jersey Meadowlands Commission - Operations | --- | 3,205 | 3,205 |
| New Jersey Meadowlands Tax Sharing Stabilization Fund | --- | 165 | 279 |
| Nine West Anti-Trust Settlement | 150 | --- | --- |
| Paterson Housing Opportunities for Persons with AIDS Program | 476 | 600 | 600 |
| Prevention of Homelessness | 343 | 243 | 243 |
| Truth in Renting | --- | 143 | 150 |
| Uniform Construction Code | --- | 6,664 | 8,933 |
| Uniform Fire Code | --- | 9,548 | 10,757 |
| Miscellaneous | 930 | 1,125 | 1,125 |
| | 60,417 | 83,219 | 87,993 |
| Department of Corrections: | | | |
| Administration and Support Services | 23,607 | 22,880 | 22,553 |
| New Medium Security Facility | 6 | --- | --- |
| Workplace Literacy - Learning Lab Program | 16 | --- | --- |
| Miscellaneous | 550 | 419 | 464 |
| | 24,179 | 23,299 | 23,017 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Department of Education: | | | |
| Abbott Implementation | --- | 11,892 | 11,586 |
| Compliance and Auditing | 38 | 30 | 30 |
| Drug Abuse Education Fund | --- | 250 | 250 |
| Early Childhood | --- | 2,280 | 2,610 |
| Facilities Planning and School Building Aid | --- | 698 | 906 |
| Katzenbach PLUS Program | 865 | 1,122 | 1,090 |
| Marie H Katzenbach School for the Deaf: Tuition-Local Boards | 7,561 | 8,295 | 8,766 |
| NJ ELITE Grant Program | 76 | --- | --- |
| Office of Compliance-Early Childhood Abbott Audits | --- | 293 | 272 |
| Professional Development and Licensure | 921 | 523 | 1,400 |
| Rental of Vacant Building Space | 255 | 489 | 528 |
| State Action for Education Leadership Project | 50 | 50 | 50 |
| Utility Settlements Receipts | 828 | --- | --- |
| Vocational Technology Upgrade | 200 | 200 | 200 |
| Whole School Reform Finance | --- | 221 | 218 |
| Miscellaneous | 159 | 264 | 264 |
| | 10,953 | 26,607 | 28,170 |
| Department of Environmental Protection: | | | |
| Administrative Costs - Natural Resources Damages | 2,316 | 2,316 | 2,316 |
| Administrative Costs Water Supply Bond Act of 1981 - Management | --- | 325 | 330 |
| Administrative Costs Water Supply Bond Act of 1981 - Planning and Standards | --- | 28 | 37 |
| Administrative Costs Water Supply Bond Act of 1981 - Watershed and Aquifer | --- | 50 | 60 |
| Aeroflex Foundation - Kittatinny Valley State Park | 20 | 25 | 25 |
| Air Pollution Control | --- | 150 | 150 |
| Air Pollution Fines | --- | --- | 600 |
| Artificial Reef Program-PSE&G/NJPDES Permit Fees | 228 | --- | --- |
| Battleship New Jersey Memorial Fund | 247 | 160 | 160 |
| Battleship New Jersey Tax Check-Off | 50 | 90 | 50 |
| Division of Smart Growth | --- | --- | 20,000 |
| Drinking Water State Revolving Fund - Capacity Development | 415 | 452 | 379 |
| Drinking Water State Revolving Fund - Delineation and Assessments | 567 | --- | --- |
| Drinking Water State Revolving Fund - Operator Certification | 237 | 147 | 250 |
| Drinking Water State Revolving Fund - Program Administration | 1,270 | 1,159 | 679 |
| Drinking Water State Revolving Fund - Small System Technical Assistance | 584 | 608 | 297 |
| Drinking Water State Revolving Fund - Source Water Program Administration | 650 | 500 | 530 |
| Endangered and Nongame Species of Wildlife Fund | 178 | 235 | 128 |
| Exotic and Nongame Species Inspection Fund | 133 | 132 | 132 |
| Farley Marina Escrow | 257 | 257 | 257 |
| Fish & Wildlife Field Office Projects | 9 | 1 | --- |
| Forest Resource Management Special Revenue | 239 | 200 | 200 |
| Geraldine R. Dodge Foundation | 150 | --- | --- |
| Hazardous Discharge Site Cleanup Fund- Responsible Party | --- | 10,496 | 9,362 |
| Hudson Walkway Settlement - Clermont Cove | 168 | --- | --- |
| Land Use Fines | --- | --- | 600 |
| Landscape Irrigation Contractor Certification | 63 | 45 | 51 |
| Liberty State Park - Central Parking | 502 | 457 | 457 |
| Liberty State Park EDA | 3,500 | --- | --- |
| Liberty State Park License Plates | 82 | 75 | 75 |
| Mammography Quality Standards Act | 280 | 287 | 268 |
| New Jersey Waterfowl Stamp Act | 132 | 131 | 100 |
| Nuclear Emergency Response | --- | --- | 1,094 |
| Office of Dredging and Sediment Technology | --- | 225 | 247 |
| Oil Spill Prevention | --- | 1,144 | 1,248 |
| PSE&G Delaware River Striped Bass Recruitment Study | 62 | 27 | 20 |
| Palisades Interstate Park Commission (PIPC) - Court Fund Revenue | --- | 497 | 498 |
| Palisades Interstate Park Commission (PIPC) - Gas Station Revenue | --- | 2,240 | 2,230 |
| Palisades Interstate Park Commission (PIPC) - Operating Fund Revenue | --- | 990 | 1,000 |
| Parks Management Fees | --- | 1,100 | 1,200 |
| Parks Management Revolving Fund | 1,939 | 693 | 800 |
| Private Well Testing - Safe Drinking Water Fund | 387 | 800 | 800 |
| Recycling of Solid Waste | --- | 266 | --- |
| Remediation Management and Response | --- | 5,885 | 6,539 |
| Safe Drinking Water Fund | --- | 1,298 | --- |
| Sedge Island | 25 | 10 | 13 |
| Shellfish Enforcement | 187 | 130 | 130 |
| Shellfish Management | 83 | 72 | 18 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Shore Protection Fund Projects | 1,390 | 6,250 | 6,250 |
| Shore Protection License Plates | 1,131 | 1,000 | 985 |
| Solid Waste Utility Regulation Excess Receipts | --- | 600 | 600 |
| Spring Meadow Golf Course | 915 | 950 | 1,042 |
| State Public Water System Supervision Program | 315 | 312 | 717 |
| State Revolving Fund - Administrative Costs | 2,675 | 2,400 | 2,363 |
| Teterboro Airport Air Quality Study | 150 | --- | --- |
| Tidelands Peak Demands | --- | 2,265 | 2,495 |
| Urban Forest Energy Efficiency Initiative | 3,900 | 1,986 | 4,957 |
| Water Allocation | --- | 2,900 | 4,700 |
| Water Pollution Fines | --- | --- | 300 |
| William Penn Foundation | 50 | --- | --- |
| Worker and Community Right to Know Act | --- | 210 | 245 |
| Miscellaneous | 1,461 | 1,105 | 1,134 |
| | <hr/> | <hr/> | <hr/> |
| | 26,947 | 53,681 | 79,118 |
| Department of Health and Senior Services: | | | |
| AIDS Drug Distribution Program Rebates | 13,599 | 8,000 | 22,600 |
| Administrative Overhead - Non State Program | 1,162 | 1,300 | 1,300 |
| Animal Population Control Program - License | 288 | 300 | 300 |
| Brain Injury Research Fund | --- | 3,600 | 3,600 |
| Certificate of Need Program | 1,311 | 537 | 537 |
| Clinical Laboratory Improvement Services | 332 | 350 | 330 |
| Community Partnership for CDSM | --- | 16 | --- |
| Early Intervention Program (EIP) Copays | 4,344 | 3,500 | 3,500 |
| Electronic Death Registration Support Fund | 15 | 600 | 600 |
| Emergency Medical Services | --- | 79 | 79 |
| Emergency Medical Technician Training Fund | 107 | 1,800 | 1,800 |
| Estrogen, Diet, Genetics and Endometrial Cancer | 30 | 110 | 110 |
| Evaluation of California Initiatives to Reduce Violence in Health Care Setting | 67 | --- | 105 |
| First Response EMT Cardiac Training Program | --- | 125 | 125 |
| Health Care Cost Reduction Fund | 23,965 | 45,237 | 32,599 |
| Health Care Planning | 12,441 | 7,200 | 7,200 |
| Intergovernmental Transfer Program (IGT) Payments | 33,925 | --- | --- |
| Live Long Live Well | 145 | 150 | 150 |
| Managed Care Oversight | 100 | --- | --- |
| Medical Emergency Disaster Preparedness for Bioterrorism | --- | 7,500 | 4,722 |
| NJ - AIDS Services Fund | 17 | --- | --- |
| NJ Emergency Medical Services Helicopter Response Program | --- | 1,894 | 2,764 |
| NJ Prostate Cancer Research Fund | 21 | --- | --- |
| NJ Turnpike Authority / Garden State Parkway Inspections | 96 | --- | 228 |
| Newborn Screening, Follow-up and Treatment | --- | 3,300 | 3,306 |
| Office of the Public Guardian | 265 | 600 | 600 |
| Organ and Tissue Awareness Program | 65 | --- | --- |
| Ovarian Cancer Study | 7 | --- | 82 |
| Rabies Control Program | 473 | 475 | 465 |
| Women, Infants, and Children (WIC) Rebates | 21,711 | 24,000 | 24,000 |
| Worker and Community Right to Know | --- | 763 | --- |
| Miscellaneous | 6,690 | 9,529 | 9,443 |
| | <hr/> | <hr/> | <hr/> |
| | 121,176 | 120,965 | 120,545 |
| Department of Human Services: | | | |
| Administration and Support Services | 47,657 | 27,521 | 30,613 |
| Adopt U.S. Kids | 54 | --- | --- |
| Alcohol Education Rehabilitation and Enforcement Fund | 1,657 | 1,701 | 1,750 |
| Alcohol Treatment Fund Program | 4,500 | 6,000 | 6,000 |
| Catastrophic Illness in Children Relief Fund | 1,125 | 925 | 925 |
| Children's Trust Fund | 265 | 519 | 519 |
| Client Co-Payments-Developmental Disabilities | 33,919 | 38,630 | 38,630 |
| Criminal History Record Checks | 268 | 120 | 120 |
| Domestic Violence Victims Fund | 523 | --- | --- |
| Drug Enforcement Demand Reduction Fund | --- | 350 | 350 |
| Food Stamp Enhanced Funding | 14,453 | --- | --- |
| Legally Responsible Relatives-Probation-Supplement | 2,791 | 2,054 | 2,054 |
| Management and Administrative Services | --- | 475 | 475 |
| Mental Health Contract Fees | 281 | 316 | 316 |
| NJ KidCare | 45,149 | 49,851 | 56,911 |
| New Jersey Health Care Hospital Payments | 466,072 | 525,293 | 520,476 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Old Age Survivors Insurance | 1,089 | 1,492 | 1,492 |
| Olmstead Grant | 20 | --- | --- |
| Parents Association Vehicle Purchase | 49 | --- | --- |
| Partnership for a Drug Free New Jersey | --- | 700 | 700 |
| Personal Needs Allowance | --- | 600 | 600 |
| SSA Reimbursement to Enhance the Vocational Rehabilitation | 583 | 300 | 300 |
| Traumatic Brain Injury | 3,596 | --- | --- |
| Universal Services Fund | 1,564 | --- | --- |
| Work First New Jersey - Work Activities | --- | --- | 10,000 |
| Work First New Jersey Technology Investment - Child Support Incentives | --- | --- | 12,502 |
| Miscellaneous | 486 | --- | --- |
| | 626,101 | 656,847 | 684,733 |
| Department of Labor and Workforce Development: | | | |
| Division of Workers Compensation Uninsured Employers | 974 | --- | --- |
| Enforcement of Workplace Standards - Receipts | --- | 4,218 | 4,253 |
| Health Care Tax Collection | 5,380 | 5,700 | 5,700 |
| Private Disability Insurance Plan | --- | 1,000 | 1,000 |
| Public Works Contractor Registration | --- | 1,925 | 1,980 |
| Reimbursement to Unemployment Insurance for Joint Tax Functions | --- | 2,600 | 2,700 |
| Special Compensation Fund | 155,642 | 126,400 | 126,530 |
| State Disability Insurance Plan | --- | 3,750 | 3,850 |
| State School Construction | 2,788 | --- | --- |
| Urban Enterprise Zones - Employer Rebate Awards | 80 | --- | --- |
| Work First New Jersey Work Activities | --- | 25,500 | 25,500 |
| Workers' Compensation | --- | 6,300 | 6,700 |
| Workforce Development Partnership - Counselors | --- | 740 | 770 |
| Workforce Development Partnership Program | --- | 1,330 | 1,384 |
| Workforce Literacy and Basic Skills Program | --- | 265 | 276 |
| Miscellaneous | 34 | 30 | --- |
| | 164,898 | 179,758 | 180,643 |
| Department of Law and Public Safety: | | | |
| Atlantic County Detention Center | 1,739 | 1,962 | 1,962 |
| Backstretch Benevolence | 199 | 210 | 210 |
| Body Armor Replacement Fund - Administrative Costs | 75 | 75 | 75 |
| Charity Racing Day for the Developmentally Disabled | 120 | --- | --- |
| Claims - Victims of Crime | --- | 3,870 | 3,870 |
| Commercial Vehicle Enforcement Program | --- | 8,500 | 8,500 |
| Commissions Award Program | 2,323 | 2,500 | 2,500 |
| Consumer Affairs | 113 | --- | --- |
| Consumer Affairs Charitable Registrations Program | --- | 670 | 670 |
| Consumer Affairs Weights and Measures Program | --- | 900 | 900 |
| Controlled Dangerous Substance Registration Program | --- | 650 | 650 |
| Criminal Disposition and Revenue Collection Fund | --- | 375 | 375 |
| Criminal Justice Cost Recovery | --- | 243 | 243 |
| D.O.T./State Police Construction Detail | --- | 6,353 | 6,353 |
| Division of Consumer Affairs-Appropriated Receipts | --- | 4,720 | 4,720 |
| Election Law Enforcement | --- | 300 | 300 |
| FBI Mitochondrial DNA Testing | --- | 810 | 810 |
| Fines Account - Miscellaneous Settlements | 81 | --- | --- |
| Forfeiture Program | 2,758 | 2,255 | 2,255 |
| Insurance Fraud Operations | 29,771 | 30,771 | 29,771 |
| Investigative Unit | 502 | 650 | 650 |
| Law Enforcement Officers Training and Equipment Fund | 762 | --- | --- |
| Medical Examiner Services | 6,775 | 8,624 | 8,624 |
| Motorcycle Safety Education Fund | 586 | --- | --- |
| New Jersey Emergency Medical Service Helicopter Program | --- | 5,495 | 5,495 |
| New Jersey Expressway Authority | 5,053 | 6,432 | 6,432 |
| New Jersey Parkway Authority | 21,986 | 26,047 | 26,047 |
| New Jersey Turnpike Authority | 23,887 | 24,842 | 24,842 |
| Noncriminal Records Checks | --- | 11,879 | 11,879 |
| Northeast Hazardous Waste Project-RCRA | 155 | 274 | 274 |
| Office of Counter-Terrorism | --- | 7,200 | 7,200 |
| Pari-Mutuel Racing in Accordance with N.J.S.A. 5:5-37 | 609 | 738 | 738 |
| Pre-Race Blood Testing and Chemical Testing Program | 2,564 | 3,317 | 3,317 |
| Private Employment Agencies | --- | 420 | 420 |
| Racing Officials | 1,026 | 1,193 | 1,193 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|----------------|----------------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Regulation of Alcoholic Beverages | --- | 4,804 | 4,804 |
| Regulation of Racing Activities | 3,143 | 3,694 | 3,694 |
| Retired Officers Handgun Permits | --- | 140 | 140 |
| Safe and Secure Neighborhoods Program | 7,423 | 7,100 | 7,100 |
| Securities Enforcement Fund | --- | 5,920 | 5,920 |
| Sexual Assault Nurse Examiner Program | 44 | --- | --- |
| State Athletic Control | 414 | 500 | 500 |
| State Facilities Education Act | 28,692 | 36,013 | 36,013 |
| State Forensic Laboratory Fund Program | 977 | 800 | 800 |
| State Police Central Lab Operations | --- | 934 | 934 |
| State Police DNA Laboratory Enhancement | 2,871 | 8,200 | 8,200 |
| State Police Equine Lab Unit | --- | 1,362 | 1,362 |
| State Police Recruit Training | --- | 77 | 77 |
| State Police-Private Detective Receipts | --- | 230 | 230 |
| State Veterinarians--New Jersey Racing Commission | 704 | 686 | 686 |
| Vehicle Rental Surcharge State Police Salaries | --- | 1,900 | 13,855 |
| Victim and Witness Advocacy Fund | --- | 1,344 | 1,344 |
| Miscellaneous | 1,777 | 2,316 | 2,316 |
| | <u>147,129</u> | <u>238,295</u> | <u>249,250</u> |
| Department of Military and Veterans' Affairs: | | | |
| Burial Services | --- | 595 | 595 |
| Distance Learning Center | 9 | 15 | 15 |
| New Jersey National Guard Support Services | --- | 1,100 | 1,100 |
| Transitional Housing | --- | 550 | 550 |
| Miscellaneous | 220 | 25 | 25 |
| | <u>229</u> | <u>2,285</u> | <u>2,285</u> |
| Department of Personnel: | | | |
| Human Resource Development Institute | --- | 1,700 | 2,000 |
| Shared Services Agriculture | --- | 245 | 245 |
| Shared Services Center - State Parole Board/Motor Vehicle Commission | --- | 1,912 | 1,912 |
| Shared Services Pilot Program | --- | 1,236 | 1,236 |
| State and Local Government Operations | --- | 1,500 | 1,300 |
| | <u>---</u> | <u>6,593</u> | <u>6,693</u> |
| Department of State: | | | |
| CableVision Rental | 188 | --- | --- |
| Crossroads of American History- Historical Commission of Montville and Kean | 113 | --- | --- |
| Extraordinary Programming | 368 | 400 | 400 |
| Law Enforcement Officers Memorial Fund | 468 | 325 | 325 |
| Leasing of Space on Transmitter Towers | 944 | 980 | 980 |
| Lila Wallace Readers Digest Fund | --- | 300 | 300 |
| New Jersey College Loans to Assist State Students (NJCLASS) | 5,100 | 5,775 | 6,369 |
| New Jersey Workforce Development Coalition Initiative | 593 | 1,250 | 1,250 |
| Preservation Records Grants | --- | 28,000 | 28,000 |
| Primary Care Physician/Dentist Loan Redemption Program | 1,000 | 1,000 | 1,000 |
| Public Broadcasting Services | 7,539 | 6,841 | 6,841 |
| Records Management | --- | 1,472 | 2,300 |
| Rental of Studio and Production Facilities | 1,695 | 1,664 | 1,664 |
| Sale or Rental of NJN Productions | 105 | 1,211 | 1,211 |
| TV Food Network/Time Warner Capital Project | 1,050 | 1,200 | 1,200 |
| War Memorial | 595 | 527 | 527 |
| Miscellaneous | 678 | 330 | 330 |
| | <u>20,436</u> | <u>51,275</u> | <u>52,697</u> |
| Department of Transportation: | | | |
| Airport Safety Fund | --- | 876 | 876 |
| Applications and Highway Permits | --- | 1,050 | 1,050 |
| Board of New Jersey Pilot Commissioners | 284 | 270 | 270 |
| Commercial Vehicle Enforcement Program | 19,811 | 8,127 | 8,145 |
| Cost of "Cause" Plates | 374 | --- | --- |
| County and Other Shared Projects | 25,258 | --- | --- |
| Greenwood Lake Airport | 107 | --- | --- |
| Highway Safety Fund | 446 | --- | --- |
| In-Terminal School Bus Inspection Program | 1,215 | 1,228 | 1,232 |
| Inspection Fund Fees | --- | 28,922 | 28,957 |
| Logo Sign Program | --- | 140 | 140 |
| Maritime Industry Fund | 1,916 | --- | --- |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Motor Vehicle Services | 199,606 | 196,426 | 197,716 |
| Motorbus Regulation | 742 | 778 | 780 |
| NJ Medical Service Helicopter Response Act | 7,193 | --- | --- |
| New Jersey Motor Vehicle Commission New Revenues | 54,698 | 4,111 | 4,085 |
| Office of Maritime Resources | --- | 2,375 | 2,500 |
| Outdoor Advertising Program | --- | 880 | 880 |
| Parking Offenses | --- | 153 | 153 |
| Placarded Railcar Program | --- | 76 | 80 |
| Rental Receipts, Tenant Relocation Program | --- | 350 | 350 |
| Sale of DMV Database Items | --- | 18,629 | 18,704 |
| Salvage Titles | --- | 411 | 411 |
| Security Responsibility | 13,668 | 14,683 | 14,700 |
| Special Plates | --- | 378 | 380 |
| Uninsured Motorist | --- | 2,001 | 2,001 |
| | 325,318 | 281,864 | 283,410 |
| Department of the Treasury: | | | |
| Administration of State Lottery | --- | 260 | 260 |
| Annual Licensing Fee - Office of Administrative Law Publications | 867 | 860 | 586 |
| Board of Public Utilities Fines, Penalties and Settlements | --- | 3,000 | --- |
| Business Services Bureau | --- | 560 | 560 |
| Capital City Redevelopment Corporation | 111 | 378 | 378 |
| Clean Energy Program | 2,015 | 820 | 820 |
| Confiscations from the Cigarette Tax Act | --- | 20 | 20 |
| Division of Developmental Disabilities Community Placement and Services | 24,994 | 24,994 | 24,994 |
| Domestic Security | 22,492 | --- | --- |
| Economic Recovery Fund | 17,607 | 17,605 | 17,606 |
| Energy Tax Receipts | 762,700 | 787,739 | 788,492 |
| Federal Recoveries | --- | 8,700 | 8,700 |
| Governor's Council on Alcoholism and Drug Abuse | 14,733 | 14,700 | 14,700 |
| Judicial Hearings Receipts | 1,803 | 2,305 | 3,667 |
| Management of DEP Properties | --- | 562 | 579 |
| New Jersey Commerce, Economic Growth and Tourism Commission | 1,850 | --- | --- |
| New Jersey Geographic Information Network (NJGIN) Property Investigator | 15 | --- | --- |
| New Jersey Public Records Preservation | 67,455 | --- | --- |
| Office of Information Technology-Availability and Recovery Site (OARS) | --- | 7,182 | 1,400 |
| Office of Management and Budget | 22,134 | 250 | 250 |
| Other Capital Building Services | 2,410 | 2,327 | 2,327 |
| Other Distributed Taxes | 3,363 | 3,363 | 3,363 |
| Property Management and Construction - Property Management Services | 312 | 310 | 310 |
| Public Finance Activities | --- | 700 | 700 |
| Purchasing and Inventory Management | --- | 90 | 90 |
| Real Property Leasing Out Program | --- | 645 | 664 |
| Residential Warranty Corporation | 105 | 158 | 158 |
| Royalties - Office of Administrative Law Publications | 164 | 67 | 40 |
| Small Business Registration | --- | 500 | 500 |
| Taxation Compliance and Enforcement Activities | --- | 3,539 | 3,539 |
| Third Party Subrogation - Property Damage | --- | 500 | 500 |
| Unclaimed Property Trust Fund | 5,578 | 6,162 | 6,431 |
| Urban Enterprise Zone (UEZ) Authority Administrative Expenses | 2,543 | 2,754 | 2,919 |
| Vendor Surcharge Collection - Motor Vehicle Commission | 12,100 | 11,600 | 12,000 |
| Miscellaneous | 999 | 309 | 309 |
| | 966,350 | 902,959 | 896,862 |
| Interdepartmental Accounts-- | | | |
| Interdepartmental Accounts: | | | |
| Statewide Security Projects | --- | 3,000 | --- |
| Judicial Branch-- | | | |
| The Judiciary: | | | |
| Automated Traffic System for Municipal Courts | 10,220 | 9,551 | 23,100 |
| Civil Courts | 499 | 462 | 540 |
| Comprehensive Enforcement Program | 2,579 | 2,004 | 2,300 |
| Court Adult Probation System | 486 | 500 | 500 |
| Court Technology Improvement Fund | 12,711 | 12,700 | 12,900 |
| Electronic Access To Court Records | 1,877 | 408 | 408 |
| Family Courts | 407 | 400 | 400 |
| Information Services | 272 | 304 | 516 |
| JAIBG - Juvenile Assessment | 41 | --- | --- |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| JAIBG Essex- Substance Abuse Evaluator Program | 8 | --- | --- |
| JAIBG School Probation | 9 | --- | --- |
| Juvenile Accountability Incentive Block Grant (JAIBG) | 24 | --- | --- |
| Mercer Welfare Fraud Grant | --- | 54 | --- |
| Middlesex Courthouse Artwork | 5 | --- | --- |
| Monmouth Juvenile Accountability Incentive Block Grant | 65 | --- | --- |
| Special Civil Part Certified Mailers | 1,571 | 1,340 | 1,450 |
| State Incentive Program | 39 | --- | --- |
| State Incentive Program - Juvenile Justice Commission | 409 | --- | --- |
| Supreme Court | 10,792 | 12,025 | 13,665 |
| Miscellaneous | 805 | 13 | 13 |
| | <u>42,819</u> | <u>39,761</u> | <u>55,792</u> |
| <i>Total Dedicated</i> | <i>2,549,578</i> | <i>2,690,908</i> | <i>2,772,432</i> |
| Federal: | | | |
| Executive Branch-- | | | |
| Department of Agriculture: | | | |
| Child Care Food | 42,394 | 48,000 | 52,320 |
| Child Nutrition - School Breakfast | 23,316 | 30,000 | 36,000 |
| Child Nutrition - School Lunch | 136,610 | 154,356 | 162,595 |
| Child Nutrition - Special Milk | 812 | 1,400 | 1,500 |
| Child Nutrition - Summer Programs | 6,214 | 9,247 | 10,017 |
| Child Nutrition Administration | 2,639 | 3,555 | 3,677 |
| Cooperative Gypsy Moth Suppression | 69 | 235 | 75 |
| Farm Risk Management Education Program | 93 | 307 | 301 |
| Farmland Preservation | 149 | 6,000 | 10,200 |
| Federal Organic Certification Cost Share Program | 35 | --- | 10 |
| Fish Inspection Service | 158 | 160 | 320 |
| Jobs Bill - Temporary Emergency Food Assistance Program (TEFAP) | 1,079 | 1,434 | 1,278 |
| Team Nutrition Training | 136 | 225 | 225 |
| Various Federal Programs and Accruals | 3,894 | 1,070 | 2,545 |
| | <u>217,598</u> | <u>255,989</u> | <u>281,063</u> |
| Department of Community Affairs: | | | |
| Community Food and Nutrition Program | 3,453 | 86 | 86 |
| Community Services Block Grant | 18,357 | 17,699 | 17,699 |
| Emergency Shelter Grants Program | 1,017 | 1,600 | 1,600 |
| Fair Housing Initiatives Grant | 19 | 85 | 85 |
| HUD Disaster Recovery Initiative | 700 | --- | --- |
| Lead-Based Paint Abatement in Low and Moderate Income Housing | --- | 3,000 | 3,000 |
| Moderate Rehabilitation Housing Assistance | 6,951 | 11,925 | 12,595 |
| National Affordable Housing-HOME Investment Partnerships | 7,524 | 8,167 | 9,073 |
| National Fire Academy Training Program | --- | 30 | 30 |
| Section 8 Housing Voucher Program | 161,745 | 173,000 | 173,200 |
| Shelter Plus Care Program | 274 | 5,950 | 4,500 |
| Small Cities Block Grant Program | 8,013 | 9,746 | 9,746 |
| Transitional Housing - Homeless | 89 | --- | --- |
| Weatherization Assistance Program | 5,651 | 5,169 | 5,169 |
| Various Federal Programs and Accruals | 125 | 155 | 80 |
| | <u>213,918</u> | <u>236,612</u> | <u>236,863</u> |
| Department of Corrections: | | | |
| Correctional Officer Stress Management Program | 196 | --- | --- |
| Digital Radio Technology and Ruggedized Personal Computers | --- | --- | 1,100 |
| Prison Rape Elimination Grant | --- | 151 | 452 |
| Project In-Side | 570 | 602 | 602 |
| Serious and Violent Offender Reentry Initiative | --- | --- | 1,000 |
| State Criminal Alien Assistance Program | 3,831 | 4,062 | 5,000 |
| Various Federal Programs and Accruals | 2,912 | 50 | 50 |
| | <u>7,509</u> | <u>4,865</u> | <u>8,204</u> |
| Department of Education: | | | |
| 21st Century Schools | 7,664 | 21,898 | 19,898 |
| AIDS Prevention Education | 238 | 217 | 217 |
| Adult Basic Education - Administration/Discretionary | 17,983 | --- | --- |
| Bilingual and Compensatory Education - Homeless Children and Youth | 1,358 | 1,210 | 1,210 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Byrd Scholarship Program | 1,098 | 1,200 | 1,200 |
| Character Education Partnership | 465 | 539 | 539 |
| Class Size Reduction | 473 | --- | --- |
| Drug-Free Schools and Communities - Administration | 2,311 | 2,092 | 2,092 |
| Drug-Free Schools and Communities - Discretionary | 7,996 | 8,514 | 8,514 |
| Educational Technology | 12,189 | 13,670 | 13,670 |
| Even Start Family Literacy Grant - Discretionary | 4,424 | 4,593 | 4,593 |
| Grants Management | --- | 2,477 | 2,477 |
| Improving America's Schools Act-Consolidated Administration | 5,299 | 5,552 | 5,552 |
| Individuals with Disabilities Education Act-Basic State Grant | 277,307 | 320,056 | 334,650 |
| Individuals with Disabilities Education Act-Preschool Grants | 11,336 | 11,642 | 11,642 |
| Language Acquisition State Grants | 12,759 | 15,869 | 19,879 |
| Mathematics and Science Partnerships Grants | 7 | 2,504 | 2,504 |
| Migrant Education - Administration/Discretionary | 2,162 | 2,117 | 2,117 |
| Public Charter Schools | 1,613 | 4,017 | 4,017 |
| Refugee Children School Impact Program | 737 | 618 | 618 |
| School Renovation Grants | 9,304 | --- | --- |
| State Assessments | 8,949 | 9,671 | 9,671 |
| State Grants for Improving Teacher Quality | 62,926 | 70,469 | 70,469 |
| State Improvement Grant, Administration | 859 | 1,273 | 1,273 |
| Title I - Accountability Grants | 177 | --- | --- |
| Title I - Comprehensive School Reform | 7,225 | 7,350 | 5,832 |
| Title I - Grants to Local Educational Agencies | 263,448 | 265,175 | 272,775 |
| Title I - Part D, Neglected and Delinquent | 2,193 | 2,340 | 2,382 |
| Title I - Reading First State Grant | 15,684 | 18,115 | 19,705 |
| Title II - Math/Science Training, Exemplary | 351 | --- | --- |
| Title V - Innovative Program Strategies | 11,009 | 8,141 | 6,041 |
| Vocational Education - Basic Grants, Administration | 23,677 | 24,519 | 24,431 |
| Vocational Education Technical Preparation | 2,517 | 2,263 | 2,263 |
| Various Federal Programs and Accruals | -49 | 988 | 988 |
| | 775,689 | 829,089 | 851,219 |
| Department of Environmental Protection: | | | |
| Air Pollution Maintenance Program | --- | 5,293 | 5,218 |
| Americorps | --- | 300 | 300 |
| Artificial Reef Program-PSE&G/NJPDES Permit Fees | 729 | 1,125 | 825 |
| Asian Longhorned Beetle Project | 206 | 100 | 800 |
| Atlantic Coastal Cooperative Program | 68 | 150 | 200 |
| Boat Access (Fish and Wildlife) | --- | 1,000 | 1,000 |
| Brownfields | --- | 5,000 | 2,000 |
| Cape May Peninsula Project (Sandritter Property) | 107 | 300 | 1,000 |
| Cheesequake Marshland Acquisition | --- | 1,000 | 1,000 |
| Clean Lakes Program | --- | 500 | 500 |
| Clean Vessels | 128 | 1,000 | 1,000 |
| Coastal Estuarine Land Program | --- | 6,000 | 6,000 |
| Coastal Zone Management Implementation | 3,364 | 2,763 | 2,431 |
| Communication of Fish Advisories | 13,613 | --- | --- |
| Community Assistance Program | 165 | 200 | 200 |
| Community and Public Water Supply Operators - Expense Reimbursement | 124 | 1,500 | --- |
| Comprehensive Wildfire Conservation Plan Coordination Federal Share | --- | 32 | --- |
| Consolidated Forest Management | 1,554 | 1,374 | 1,070 |
| Construction Grants Program | --- | 57,600 | 57,600 |
| County-wide Wildfire Defense | 10 | 50 | --- |
| Defensible Space | 46 | 350 | 400 |
| Delaware Bay | --- | 1,000 | --- |
| Delaware Bay and Great Egg Harbor Corridor Project (SV Farming) Federal Share | --- | --- | 1,000 |
| Domestic Preparedness DEP- Supplemental Training | --- | --- | 80 |
| Endangered Species | 43 | 75 | 205 |
| Endangered and Nongame Species Program State Wildlife Grants | 565 | 1,200 | 1,500 |
| Environmental Justice | --- | 100 | 100 |
| Estuary Program | 1,179 | --- | --- |
| Firewise in the Pines | --- | 200 | 200 |
| Fish and Wildlife Health | 58 | 190 | 100 |
| Forest Legacy | --- | 10,040 | 10,040 |
| Forest Resource Management-Cooperative Forest Fire Control | 2,264 | 1,725 | 1,725 |
| Grassland Habitat Project | --- | 200 | 200 |
| Hazardous Waste - Resource Conservation Recovery Act | --- | 4,281 | 4,281 |
| Historic Preservation Survey & Planning | 675 | 647 | 650 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|----------------|----------------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Hunters' and Anglers' License Fund | 3,497 | 6,365 | 5,925 |
| Intermodal Surface Transportation Efficiency Act | 1,000 | 10,320 | 10,320 |
| Investigation and Management of NJ's Nongame Freshwater Fisheries Resources | 14 | 150 | 150 |
| Land and Water Conservation Fund | --- | 5,000 | 5,000 |
| Lower Cohansey Watershed | --- | 1,000 | 1,000 |
| Marine Fisheries Investigation and Management | 1,280 | 1,150 | 1,150 |
| Multi-Media | 120 | 750 | 750 |
| Multi-Media Enforcement Grant | --- | 1,000 | 1,000 |
| NJ Field Office Bog Turtle Cooperative Agreement | --- | 50 | 50 |
| NJ Landowners Incentive | 43 | 1,450 | 1,450 |
| National Coastal Wetlands Conservation | 391 | 2,215 | 2,215 |
| National Dam Safety Program (FEMA) | 253 | 90 | 90 |
| National Geologic Mapping Program | 150 | 200 | 200 |
| National Pollutant Discharge Elimination System Implementation Support Program | --- | 600 | 600 |
| National Recreational Trails | 582 | 1,500 | 1,500 |
| New Jersey Commercial Blue Crab Fishery Economic Assistance Federal Share | --- | 230 | --- |
| Non-Point Source Implementation (319H) | --- | 4,193 | 3,851 |
| Particulate Monitoring Grant | 349 | 1,500 | 1,499 |
| Pennsauken Boat Access Renovation | 248 | --- | --- |
| Pesticide Recording Program | 60 | 20 | 20 |
| Pesticide Technology | 160 | 780 | 670 |
| Pinelands Grant - Acquisition | --- | 6,000 | 6,000 |
| Preliminary Assessments/Site Inspections | 63 | 3,000 | 3,000 |
| Radon Program | --- | 500 | 500 |
| Regional Climate and Fire Damage Modeling - Pinelands | --- | 100 | --- |
| Safe Drinking Water Act | 31 | 22,200 | 22,200 |
| Shortnose Sturgeon Research | --- | 150 | 150 |
| Southern New Jersey Drinking Water Sampling Project | 46 | 50 | 50 |
| Southern Pine Beetle | 14 | 100 | 100 |
| State Wetlands Conservation Plan | 65 | 492 | 492 |
| State Wildlife Grant Projects | --- | 1,200 | 1,500 |
| State/EPA Data Management Grant | 432 | 3,050 | 2,300 |
| Superfund Grants | 25,876 | 30,450 | 30,450 |
| Telemetry Study of Red Knots and Atlantic Brant | 21 | 80 | 65 |
| US Army Corps of Engineers Beachnesters | --- | 80 | 80 |
| Underground Storage Tanks | 2,049 | 2,055 | 2,055 |
| Water Monitoring and Planning | 328 | 1,000 | 547 |
| Water Pollution Control Program | --- | 4,250 | 4,021 |
| Wildland/Urban Interface II | --- | 250 | 500 |
| Wildlife Education | 118 | 285 | 285 |
| Wildlife Management Area Planning | 14 | 300 | 300 |
| Various Federal Programs and Accruals | 960 | 2,060 | 2,670 |
| | <u>63,062</u> | <u>221,510</u> | <u>216,330</u> |
| Department of Health and Senior Services: | | | |
| AIDS Incarcerated Individuals in Corrections | 949 | 900 | 900 |
| Abstinence Education - Family Health Services (FHS) | 969 | 1,122 | 1,122 |
| Asthma Surveillance and Coalition Building | 213 | 356 | 356 |
| Asthma and Hazardous Substances Applied Research | 131 | 100 | 108 |
| Behavioral Risk Factor Surveillance Survey | 151 | 261 | 261 |
| Bioterrorism Hospital Emergency Preparedness | 490 | 14,000 | 14,000 |
| Birth Defects Surveillance Program | --- | 250 | 250 |
| Blood Borne Pathogen Exposure Study | --- | 253 | --- |
| Center For Birth Defects Research & Prevention | 313 | 1,600 | 1,600 |
| Childhood Lead Poisoning | 727 | 1,426 | 1,400 |
| Chronic Disease Prevention and Health Promotion - Family Health Services | 1,291 | 1,011 | 1,011 |
| Chronic Disease Prevention and Health Promotion Programs - Public Health | --- | 1,246 | 1,525 |
| Clinical Laboratory Improvement Amendments Program | 450 | 497 | 526 |
| Comprehensive AIDS Resources Grant | 54,460 | 50,850 | 50,400 |
| Comprehensive Breast and Cervical Cancer | 3 | --- | --- |
| Comprehensive State Based Tobacco Use Prevention Programs | 134 | --- | --- |
| Demonstration Program to Conduct Health Assessments | 407 | 578 | 634 |
| Early Hearing Detection and Intervention (EHDI) Tracking, Research | 131 | 334 | 334 |
| Early Intervention for Infants & Toddlers with Disabilities (Part H) | 10,798 | 13,000 | 13,000 |
| Electronic Benefits Transfer (EBT) Infrastructure (EDS) Special Grant | 41 | --- | --- |
| Eliminating Disparities in Perinatal Health | 400 | 3,430 | 3,430 |
| Emergency Preparedness For Bioterrorism | 20,640 | 21,898 | 18,800 |
| Evaluation of Lead Dust Study | 47 | --- | --- |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-----------|-----------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Evaluation of the Performance of Integrated HIV/AIDS Surveillance | 169 | 116 | 116 |
| Exposure - Tremolite Asbestos - Vermiculite | 179 | 220 | 220 |
| Family Planning Program-Title X | 3,549 | 8,640 | 8,640 |
| Federal Lead Abatement Program | 123 | 420 | 461 |
| Federal Medicare Reimbursement | --- | 994 | 994 |
| Federal Medicare Relief | --- | 90,000 | 90,000 |
| Food Inspection | 331 | 350 | 387 |
| HIV/AIDS Prevention and Education Grant | 16,574 | 18,000 | 18,000 |
| HIV/AIDS Surveillance Grant | 4,859 | 7,214 | 4,812 |
| Housing Opportunities For Persons With AIDS | 668 | 8,163 | 8,167 |
| Housing Opportunities for Incarcerated Persons with AIDS | --- | 900 | 900 |
| Immunization Project | 7,081 | 7,866 | 8,810 |
| Job & Growth Tax Stimulus | 143,065 | --- | --- |
| Lead Training & Certification (Enforcement) Program | 72 | 82 | 85 |
| Lyme Disease Research | 270 | --- | --- |
| Maternal and Child Health (MCH) Early Childhood Comprehensive System | 70 | 100 | 100 |
| Maternal and Child Health Block Grant | 13,033 | 13,000 | 13,000 |
| Medicare/Medicaid Inspections of Nursing Facilities | 9,167 | 14,150 | 16,660 |
| Memorandum of Agreement with Emory University-National Down Syndrome Study | --- | 150 | 150 |
| Minority AIDS Demo | 68 | 150 | 150 |
| Morbidity & Mortality Review Program | 105 | 150 | 150 |
| NJ Ease For Caregivers - Building Support Systems | 266 | 250 | 250 |
| National Cancer Prevention and Control-Public Health | 3,818 | 6,210 | 6,574 |
| National Family Caregiver Program | 4,720 | 4,100 | 4,800 |
| National Violent Death Reporting System | --- | --- | 208 |
| Nurse Aide Certification Program | --- | 1,958 | 1,000 |
| Nursing Facilities Transition Grant | --- | 600 | 600 |
| Older Americans Act - Title III | 29,623 | 33,248 | 33,450 |
| Pediatric AIDS Health Care Demonstration Project | 2,653 | 2,850 | 2,850 |
| Pregnancy Risk Assessment Monitoring System | 12 | 750 | 750 |
| Preparedness and Response for Bioterrorism | 370 | --- | --- |
| Preventative Health and Health Services Block Grant | 3,601 | 3,896 | 3,975 |
| Public Employees Occupational Safety & Health - State Plan | --- | --- | 900 |
| Public Health Laboratory Biomonitoring Planning | 137 | 210 | 210 |
| Rape Prevention and Education Program | 2,398 | 1,237 | 1,237 |
| Research on Ecology of Lyme Disease in US | 150 | 300 | 325 |
| Senior Farmers Market Nutrition Program | 464 | 1,000 | 1,000 |
| State Pharmacy Assistance Program Payments - Federally Funded Grant | --- | 11,366 | 11,366 |
| State Regulation on Immunization Rates of Older Adults | -4 | --- | --- |
| Supplemental Food Program-Women, Infants, and Children | 89,473 | 90,000 | 94,000 |
| Surveillance, Epidemiology and End Results (SEER) | 668 | 1,200 | 1,800 |
| Tools For School Implementation Project | -11 | 80 | --- |
| Traumatic Brain Injury Surveillance | --- | 105 | 105 |
| Tuberculosis Control Program | 5,075 | 6,069 | 6,000 |
| United States Department of Agriculture (USDA) Older Americans Act - Title III | 3,347 | 3,900 | 3,900 |
| Universal Newborn Hearing Screening | 219 | 250 | 250 |
| Venereal Disease Project | 3,268 | 3,800 | 3,882 |
| Violence Related Injury Prevention | --- | 160 | 160 |
| Viral Hepatitis Integration Study | --- | 365 | --- |
| Vital Statistics Component | 549 | 850 | 850 |
| WIC Farmer's Market Nutrition Program | 810 | 2,000 | 2,000 |
| West Nile Virus - Laboratory | --- | 200 | 242 |
| West Nile Virus - Public Health | 2,182 | 2,300 | 2,258 |
| Various Federal Programs and Accruals | -144,705 | 4,351 | 4,614 |
| | <hr/> | <hr/> | <hr/> |
| | 301,211 | 467,382 | 471,015 |
| Department of Human Services: | | | |
| Access to Recovery | --- | 8,000 | 8,000 |
| Block Grant Mental Health Services | 10,872 | 12,496 | 12,496 |
| Child Care Block Grant | 121,157 | 108,959 | 109,778 |
| Child Support Enforcement Program | 102,948 | 142,356 | 171,237 |
| Community Based Residential Program Grant | 633 | 1,000 | 1,000 |
| Developmental Disabilities Council | 1,454 | 1,590 | 1,598 |
| Federal Independent Living | 942 | 1,116 | 1,116 |
| Food Stamp Program | 72,789 | 88,047 | 96,476 |
| Foster Grandparents Program | 1,149 | 1,051 | 1,080 |
| Low Income Energy Assistance Block Grant | 80,095 | 75,770 | 75,951 |
| Projects for Assistance in Transition from Homelessness (PATH) | 2,533 | 1,745 | 1,745 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|------------------|------------------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Refugee Resettlement Program | 5,860 | 5,705 | 5,705 |
| Restricted Federal Grants | 13,818 | 12,202 | 12,202 |
| Social Service Block Grant | 50,359 | 51,432 | 53,308 |
| State Data Infrastructure Project | 39 | 100 | 100 |
| Substance Abuse Block Grant | 56,731 | 53,385 | 53,606 |
| Temporary Assistance to Needy Families Block Grant | 429,400 | 500,865 | 458,888 |
| Title IV-B Child Welfare Services | 2,543 | 6,120 | 6,120 |
| Title IV-E Foster Care | 89,672 | 111,696 | 135,580 |
| Title XIX - Child Residential | 34,004 | 74,055 | 77,983 |
| Title XIX Community Care Waiver | 188,373 | 203,980 | 228,655 |
| Title XIX ICF/MR | 237,878 | 237,833 | 278,905 |
| Title XIX Medical Assistance | 3,142,947 | 3,190,529 | 3,475,298 |
| Title XX Urban Empowerment Zone | 1,243 | --- | --- |
| Title XXI Children's Health Insurance Program | 241,934 | 236,665 | 221,014 |
| Vocational Rehabilitation Act Section 120 | 10,682 | 10,631 | 10,961 |
| Young Offender Reentry Program | --- | 490 | 490 |
| Various Federal Programs and Accruals | 148,355 | 5,869 | 5,003 |
| | <u>5,048,410</u> | <u>5,143,687</u> | <u>5,504,295</u> |
| Department of Labor and Workforce Development: | | | |
| Adult & Continuing Education - Workforce Investment Act | --- | 18,222 | 18,343 |
| Comprehensive Services for Independent Living | 119 | 700 | 1,012 |
| Current Employment Statistics | 2,930 | 2,591 | 2,764 |
| Disability Determination Services | 50,001 | 46,020 | 48,000 |
| Disabled Veterans' Outreach Program | 2,244 | 2,500 | 2,500 |
| Employment Services | 19,882 | 23,859 | 22,930 |
| Employment Services - One Stop Shopping | 313 | 325 | 325 |
| Employment Services Cost Reimbursable Grants - Migrant Housing | 100 | 50 | 50 |
| Employment Services Grants-Alien Labor Certification | 2,583 | 2,419 | 2,321 |
| Employment Services Reemployment Services | 1,528 | 1,100 | 1,100 |
| Federal Public Employees Occupational Safety and Health Act | 1,795 | 1,900 | 1,900 |
| Local Veterans' Employment Representatives | 1,449 | 1,700 | 1,700 |
| National Council on Aging - Senior Community Services Employment Project | 2,602 | 3,025 | 3,000 |
| Occupational Informational Coordinating Program | 169 | 159 | 159 |
| Occupational Safety Health Act, On-Site Consultation | 1,771 | 2,012 | 2,002 |
| Occupational Safety and Health Administration Data Collection Survey | 75 | 81 | 74 |
| Old Age & Survivor Insurance Disability Determination Services | --- | 1,000 | 1,000 |
| One Stop Labor Market Information | 944 | 980 | 940 |
| Redesigned Occupational Safety and Health (ROSH) | 233 | 230 | 233 |
| Reed Act Funds | 8,972 | --- | --- |
| Rehabilitation of Supplemental Security Income Beneficiaries | 654 | 2,000 | 2,000 |
| Supported Employment | --- | 1,200 | 1,200 |
| Technical Assistance Training | 212 | 1,700 | 1,700 |
| Technology Related Assistance Project | 179 | 700 | 350 |
| Trade Adjustment Assistance Project | 4,326 | 7,000 | 4,000 |
| Unemployment Insurance | 112,493 | 140,900 | 135,500 |
| Vocational Rehabilitation Act of 1973 | 31,823 | 44,650 | 45,325 |
| Welfare to Work | 1,319 | --- | --- |
| Work Incentive - Project Access | 39 | 700 | 700 |
| Work Opportunity Tax Credit | 438 | 750 | 750 |
| Workforce Investment Act | 73,841 | 56,830 | 57,947 |
| Workforce Investment Act - Toll Free Helpline | 177 | --- | --- |
| Workforce Investment Act Title IIID Discretionary Funding | 2,957 | 6,000 | 4,000 |
| Workforce Investment Act-Title III Dislocated Workers | 1,058 | 19,000 | 22,000 |
| Various Federal Programs and Accruals | -6,790 | 145 | 145 |
| | <u>320,436</u> | <u>390,448</u> | <u>385,970</u> |
| Department of Law and Public Safety: | | | |
| Buffer Zone Protection | --- | 2,500 | 1,400 |
| Bulletproof Vest Partnership | 77 | 700 | 700 |
| Bureau of Justice State Police Communications Grant | 8,848 | --- | --- |
| Casework DNA Backlog Reduction Program | 174 | 1,300 | 1,300 |
| Challenge Grant | 330 | 300 | 300 |
| Child Passenger Protection Education | 1 | 500 | 500 |
| Citizen Corps Program | 100 | --- | --- |
| Combating Underage Drinking | 254 | 360 | 360 |
| Community Emergency Response Team Program | 409 | 550 | 550 |
| Community Prosecutors Block Grant | --- | 1,000 | 1,000 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Computer Aided Dispatch Maintenance | 22,970 | --- | --- |
| Convicted Offender In-House (DNA) | --- | 1,500 | 1,500 |
| Cops In Schools | 177 | 1,000 | 1,000 |
| Criminal Justice Information Services Digitized Mugshot | --- | 129 | 129 |
| Criminal Justice Victims of Crime Act 9/11 Attack on America | 546 | --- | --- |
| Declared Counties For New Jersey Power Outage | 1,339 | --- | --- |
| Disaster Relief | 2,083 | --- | --- |
| Domestic Marijuana Eradication Suppression Program | 177 | 200 | 200 |
| Domestic Preparedness Equipment Grant | 6,765 | --- | --- |
| Domestic Preparedness Training | 6,203 | --- | --- |
| Drunk Driver Prevention | 79 | --- | --- |
| Edward Byrne Memorial Grant | 12,365 | --- | --- |
| Emergency Management Performance Grant - Non Terrorism | 2,829 | 4,500 | 4,500 |
| Emergency Operations Center - Phase I Risk Assessment | 50 | --- | --- |
| Equal Employment Opportunity Commission | 592 | 600 | 600 |
| FEMA Pre-Disaster Mitigation Grant | --- | 300 | 300 |
| Financial Investigations & Money Laundering Initiative | --- | 5,000 | 5,000 |
| Flood Mitigation Assistance | 52 | 946 | 946 |
| Forensic Crime Laboratory Improvement Program | --- | 2,000 | 2,000 |
| Forensic DNA Testing Program | --- | 1,000 | 1,000 |
| Hazardous Materials Transportation | --- | 350 | 350 |
| Help America Vote Act | --- | 42,000 | 1,040 |
| High Intensity Drug Trafficking Area (HIDTA) | --- | 50 | 50 |
| Highway Safety Data Improvement Grant | --- | 1,500 | 1,500 |
| Highway Safety Programs | 4,291 | 4,550 | 5,275 |
| Incident Command | 141 | 750 | 750 |
| Innovative Seat Belt Use | --- | 2,500 | 2,500 |
| Internet Crimes Against Children | 12 | 300 | 300 |
| Justice Assistance Grant (JAG) | --- | 9,000 | 9,000 |
| Juvenile Accountability Incentive Block Grant | 4,543 | 5,900 | 1,200 |
| Juvenile Justice Delinquency Prevention | 2,863 | 2,457 | 2,476 |
| Law Enforcement Training Academy | 490 | --- | --- |
| Local Law Enforcement Block Grant | 1,024 | 1,400 | 1,400 |
| Marine Police Boat | 251 | --- | --- |
| Medicaid Fraud Unit | 1,830 | 3,000 | 3,000 |
| National Criminal History Program-OAG | 2,320 | 2,000 | 2,000 |
| National Forensic Sciences Improvement Act Program | 96 | 110 | 110 |
| New Jersey Anti-Money Laundering Initiative | --- | 750 | 750 |
| Northeast Hazardous Waste Project-RCRA | 309 | 250 | 250 |
| Occupant Protection Grant | 614 | 1,500 | 1,750 |
| Protecting Our Urban Areas | --- | 19,300 | 19,300 |
| Public Safety Wireless Coordination Council - Initiative | --- | 244 | 244 |
| Recreational Boating Safety | 2,275 | 2,000 | 2,000 |
| Residential Treatment for Substance Abuse | 1,219 | 1,600 | 1,600 |
| Safety Incentive Grants | 4,252 | 5,000 | 5,000 |
| Section 163 Prevent Operations of Motor Vehicles By Intoxicated Persons | --- | 3,000 | 3,000 |
| State Homeland Security Grant Program | --- | 36,600 | 36,600 |
| State Police In-Car Camera Technology Grant | 8 | 200 | 200 |
| State and Local All Hazards Emergency Operation Planning | 2,158 | --- | --- |
| Title V Funding | 1,235 | 1,500 | 1,500 |
| Truth In Sentencing Incentive Grant | 36,260 | --- | --- |
| Unemployment Fraud | --- | 643 | 643 |
| Victim Assistance Grants | 8,844 | 12,000 | 12,000 |
| Victim Compensation Award | 2,283 | 7,000 | 7,000 |
| Victims of Crime Act Compensation for 9/11 Attack | 2,007 | --- | --- |
| Violence Against Women Act | 2,790 | 4,000 | 4,000 |
| Various Federal Programs and Accruals | -16,884 | 1,295 | 1,515 |
| | 131,651 | 197,134 | 151,588 |
| Department of Military and Veterans' Affairs: | | | |
| Armory Renovations and Improvements | 776 | 1,500 | 1,500 |
| Army Facilities Service Contracts | 2,002 | 1,400 | 1,400 |
| Army National Guard Statewide Security Agreement | 558 | 500 | 500 |
| Army National Guard Transportation | --- | 125 | 125 |
| Army Training and Technology Lab | 453 | 500 | 500 |
| Atlantic City Air Base - Service Contracts | 2,193 | 2,200 | 2,200 |
| Atlantic City Environmental | 90 | 50 | 50 |
| Atlantic City Operations and Maintenance | 55 | 65 | 65 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|------------------|------------------|
| | 2004 | 2005 | 2006 |
| | Actual | Estimated | Estimated |
| Brigadier General Doyle Memorial Cemetery Building Project | 1,421 | 6,900 | 8,500 |
| Design and Construction of the Vineland Memorial Veterans' Home | 12,873 | --- | --- |
| Dining Facility Operations | --- | 700 | 700 |
| Facilities Support Contract | 4,231 | 6,000 | 6,000 |
| Federal Distance Learning Program | 189 | 200 | 200 |
| Fire Fighter/Crash Rescue Service Cooperative Funding Agreement | 1,169 | 1,350 | 1,500 |
| Hazardous Waste Environmental Protection Program | 415 | 500 | 500 |
| McGuire AFB Environmental | 94 | 50 | 50 |
| McGuire Air Force Base - Service Contracts | 1,415 | 1,995 | 2,095 |
| McGuire Operations and Maintenance | 68 | 70 | 70 |
| Medicare Part A Receipts for Resident Care and Operational Costs | 3,460 | 3,870 | 4,492 |
| National Guard Communications Agreement. | 807 | 650 | 650 |
| New Jersey National Guard Challenge Youth Program | 1,637 | 2,000 | 2,000 |
| New Jersey National Guard Counter Drug Program Interservice State-Federal | 33 | 12 | 12 |
| Training and Equipment - Pool Sites | 318 | 250 | 250 |
| Transitional Housing | 371 | 360 | 360 |
| Veterans' Education Monitoring | 498 | 565 | 565 |
| Various Federal Programs and Accruals | 1,841 | 55 | 55 |
| | <u>36,967</u> | <u>31,867</u> | <u>34,339</u> |
| Department of State: | | | |
| Americorps Grants | --- | 5,739 | 5,739 |
| Leveraging Educational Assistance Partnership | 3,376 | 2,148 | 2,148 |
| NJ GEAR UP | 1,900 | 2,730 | 2,730 |
| National Endowment for the Arts Partnership | --- | 750 | 750 |
| National Health Service Corps - Student Loan Repayment Program | 178 | 240 | 240 |
| National Telecommunications Information Agency | --- | 625 | 625 |
| Student Loan Administrative Cost Deduction and Allowance | 16,419 | 20,344 | 22,056 |
| Various Federal Programs and Accruals | 2,335 | 202 | 202 |
| | <u>24,208</u> | <u>32,778</u> | <u>34,490</u> |
| Department of Transportation: | | | |
| Airport Fund | 5,096 | 10,000 | 10,000 |
| Highway Planning and Research | 25,755 | 15,180 | 15,180 |
| Metropolitan Planning Funds | 15,814 | 11,015 | 11,015 |
| Motor Carrier Safety Assistance Program | 2,348 | 9,808 | 9,808 |
| New Jersey Transportation Planning Assistance | 201 | --- | --- |
| Supportive Services Highway Construction Training Program | --- | 500 | 500 |
| | <u>49,214</u> | <u>46,503</u> | <u>46,503</u> |
| Department of the Treasury: | | | |
| Diamond Shamrock Oil Overcharge Settlement | --- | 617 | 717 |
| Division of Gas Expansion | --- | 600 | 600 |
| State Energy Conservation Program | 685 | 2,270 | 2,602 |
| Various Federal Programs and Accruals | 2,038 | 700 | 700 |
| | <u>2,723</u> | <u>4,187</u> | <u>4,619</u> |
| Judicial Branch-- | | | |
| The Judiciary: | | | |
| Drug Court Direct | 301 | 200 | 200 |
| Juvenile Drug Court Grant | 440 | 1,478 | --- |
| NJ Child Support Early Intervention Project | --- | 100 | 100 |
| Various Federal Programs and Accruals | 285 | 800 | 835 |
| | <u>1,026</u> | <u>2,578</u> | <u>1,135</u> |
| <i>Total Federal</i> | <u>7,193,622</u> | <u>7,864,629</u> | <u>8,227,633</u> |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Revolving: | | | |
| Legislature: | | | |
| Various Revolving Funds | 17 | --- | --- |
| Department of Community Affairs: | | | |
| Administration and Support Services | 464 | --- | --- |
| Housing Services | --- | 495 | 495 |
| Liquid Petroleum Gas Ed. & Safety Board | 143 | 308 | 360 |
| Uniform Construction Code | 8,526 | 6,800 | 6,800 |
| Various Revolving Funds | 79 | --- | --- |
| | 9,212 | 7,603 | 7,655 |
| Department of Corrections: | | | |
| Culinary Arts Vocational Program | 73 | 185 | 186 |
| Farm Operations | 10,840 | 10,318 | 10,500 |
| Institutional Care and Treatment | 474 | 470 | 470 |
| State Use | 21,897 | 18,879 | 18,879 |
| | 33,284 | 29,852 | 30,035 |
| Department of Education: | | | |
| Administration and Support Services | 3,582 | 3,999 | 3,999 |
| Adult and Continuing Education | 311 | 350 | 350 |
| Professional Development and Licensure | 140 | 199 | 199 |
| | 4,033 | 4,548 | 4,548 |
| Department of Environmental Protection: | | | |
| Administration and Support Services | 90 | 135 | 100 |
| Pesticide Control | 246 | --- | 225 |
| Publicly-Funded Site Remediation | 51 | --- | --- |
| | 387 | 135 | 325 |
| Department of Health and Senior Services: | | | |
| Administration and Support Services | 5,679 | 5,497 | 5,497 |
| Laboratory Services | 13,008 | 9,200 | 10,530 |
| | 18,687 | 14,697 | 16,027 |
| Department of Human Services: | | | |
| Administration and Support Services | 909 | 861 | 861 |
| Income Maintenance Management | 6,645 | 7,174 | 6,825 |
| | 7,554 | 8,035 | 7,686 |
| Department of Labor and Workforce Development: | | | |
| Administration and Support Services | 1,181 | --- | --- |
| Planning and Analysis | 143 | --- | --- |
| | 1,324 | --- | --- |
| Department of Law and Public Safety: | | | |
| Criminal Justice | 411 | 300 | 300 |
| State Police Operations | 36 | 553 | 553 |
| | 447 | 853 | 853 |
| Department of State: | | | |
| Records Management | 970 | 1,293 | 200 |
| Department of Transportation: | | | |
| Administration and Support Services | 651 | --- | --- |
| Department of the Treasury: | | | |
| Adjudication of Administrative Appeals | 897 | 895 | 895 |
| Automotive Services | 16,711 | 19,558 | 19,558 |
| Capitol Post Office | 1,564 | 1,648 | 1,648 |
| Escrow - Construction Management Services | 796 | 3,000 | 3,000 |
| Office of Information Technology | 104,266 | 98,178 | 99,010 |
| Printing Services | 1,911 | 2,324 | 2,324 |
| Property Management and Construction - Construction Management Services | 2,703 | 3,738 | 3,738 |

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| Public Information Services | 1,430 | 1,293 | 1,293 |
| Purchasing and Inventory Management | 53,678 | 55,941 | 55,941 |
| | <u>183,956</u> | <u>186,575</u> | <u>187,407</u> |
| <i>Total Revolving</i> | 260,522 | 253,591 | 254,736 |
| <i>Total Other Revenues General Fund</i> | <u>10,003,722</u> | <u>10,809,128</u> | <u>11,254,801</u> |

SPECIAL TRANSPORTATION FUND

General:

| | | | |
|--|------------------|------------------|------------------|
| County and Other Shared Projects | 765 | --- | --- |
| Transportation Trust Fund - Local Highway Funds | 145,876 | 145,000 | 150,000 |
| Transportation Trust Fund - Public Transportation Projects | 709,839 | 606,597 | 534,000 |
| Transportation Trust Fund - State Highway Funds | 417,147 | 541,000 | 521,000 |
| | <u>1,273,627</u> | <u>1,292,597</u> | <u>1,205,000</u> |

Federal:

| | | | |
|--|-------------------|-------------------|-------------------|
| Federal Highway Administration | 757,430 | 716,391 | 888,173 |
| <i>Total Special Transportation Fund</i> | <u>2,031,057</u> | <u>2,008,988</u> | <u>2,088,173</u> |
| TOTAL OTHER REVENUES | 12,034,779 | 12,818,116 | 13,342,974 |

REVENUES & EXPENDITURES

SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|--|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| GENERAL FUND | | | |
| Legislative Branch | | | |
| Senate | 11,326 | 11,644 | 11,644 |
| General Assembly | 18,623 | 19,155 | 19,155 |
| Office of Legislative Services | 30,969 | 29,038 | 29,038 |
| Legislative Commissions | 4,966 | 5,585 | 6,124 |
| State Capitol Joint Management Commission | 8,045 | 9,001 | 9,001 |
| Clean Ocean and Shore Trust Committee | 144 | 144 | 144 |
| | 74,073 | 74,567 | 75,106 |
| Executive Branch | | | |
| Chief Executive | 5,141 | 5,537 | 4,972 |
| Department of Agriculture | 26,873 | 23,353 | 22,717 |
| Department of Banking and Insurance | 66,696 | 68,837 | 67,837 |
| Department of Community Affairs | 118,212 | 209,557 | 180,852 |
| Department of Corrections | 941,961 | 1,018,645 | 1,033,444 |
| Department of Education | 3,003,930 | 2,975,455 | 1,409,544 |
| Department of Environmental Protection | 411,940 | 433,839 | 338,114 |
| Department of Health and Senior Services | 790,595 | 1,505,154 | 1,286,284 |
| Department of Human Services | 4,603,428 | 4,751,965 | 5,114,775 |
| Department of Labor and Workforce Development | 131,261 | 106,890 | 106,722 |
| Department of Law and Public Safety | 568,255 | 550,755 | 551,999 |
| Department of Military and Veterans' Affairs | 82,021 | 87,702 | 86,730 |
| Department of Personnel | 30,414 | 26,307 | 25,701 |
| Department of State | 1,086,462 | 1,248,019 | 1,230,250 |
| Department of Transportation | 1,104,589 | 1,189,357 | 1,175,875 |
| Department of the Treasury | 1,237,044 | 1,329,345 | 1,067,438 |
| Miscellaneous Commissions | 1,404 | 1,395 | 1,403 |
| | 14,210,226 | 15,532,112 | 13,704,657 |
| Interdepartmental Accounts | | | |
| Interdepartmental Services | 520,328 | 547,547 | 549,665 |
| Employee Benefits | 1,788,034 | 1,974,179 | 2,135,255 |
| Other Interdepartmental Accounts | 26,122 | 159,894 | 70,646 |
| Salary Increases and Other Benefits | 6,941 | 7,500 | 115,397 |
| | 2,341,425 | 2,689,120 | 2,870,963 |
| Judicial Branch | | | |
| The Judiciary | 518,467 | 552,326 | 554,026 |
| | 518,467 | 552,326 | 554,026 |
| Total General Fund | 17,144,191 | 18,848,125 | 17,204,752 |
| CASINO CONTROL FUND - DIRECT STATE SERVICES | | | |
| Department of Law and Public Safety | 37,266 | 40,599 | 40,599 |
| Department of the Treasury | 28,074 | 28,686 | 28,686 |
| Total Casino Control Fund - Direct State Services | 65,340 | 69,285 | 69,285 |

REVENUES & EXPENDITURES

SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|--------------------------|--------------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| CASINO REVENUE FUND | | | |
| Department of Health and Senior Services | 426,849 | 358,341 | 331,583 |
| Department of Human Services | 118,636 | 118,737 | 118,737 |
| Department of Labor and Workforce Development | 2,440 | 2,440 | 2,440 |
| Department of Law and Public Safety | 93 | 92 | 92 |
| Department of Transportation | 25,458 | 25,287 | 34,352 |
| <i>Total Casino Revenue Fund</i> | <u>573,476</u> | <u>504,897</u> | <u>487,204</u> |
| GUBERNATORIAL ELECTIONS FUND - GRANTS-IN-AID | | | |
| Department of Law and Public Safety | --- | 8,870 | 1,025 |
| PROPERTY TAX RELIEF FUND | | | |
| Department of Community Affairs | 941,195 | 929,569 | 921,069 |
| Department of Education | 5,285,138 | 6,104,138 | 7,976,023 |
| Department of Environmental Protection | 10,129 | 8,500 | 9,000 |
| Department of the Treasury | 983,260 | 1,927,045 | 743,908 |
| <i>Total Property Tax Relief Fund</i> | <u>7,219,722</u> | <u>8,969,252</u> | <u>9,650,000</u> |
| GRAND TOTAL EXPENDITURES BUDGETED | <u>25,002,729</u> | <u>28,400,429</u> | <u>27,412,266</u> |

REVENUES & EXPENDITURES

SCHEDULE 4 EXPENDITURES NOT BUDGETED (thousands of dollars)

| | -----Fiscal Year Ending June 30----- | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2004 Actual | 2005 Estimated | 2006 Estimated |
| GENERAL FUNDS | | | |
| Dedicated Funds | | | |
| Chief Executive | 1,172 | 1,100 | 1,100 |
| Department of Agriculture | 8,899 | 11,004 | 12,628 |
| Department of Banking and Insurance | 2,053 | 8,396 | 7,496 |
| Department of Community Affairs | 42,205 | 83,219 | 87,993 |
| Department of Corrections | 24,466 | 23,299 | 23,017 |
| Department of Education | 21,526 | 26,607 | 28,170 |
| Department of Environmental Protection | 22,519 | 53,681 | 79,118 |
| Department of Health and Senior Services | 127,883 | 120,965 | 120,545 |
| Department of Human Services | 580,511 | 656,847 | 684,733 |
| Department of Labor and Workforce Development | 148,068 | 179,758 | 180,643 |
| Department of Law and Public Safety | 180,065 | 238,295 | 249,250 |
| Department of Military and Veterans' Affairs | 37 | 2,285 | 2,285 |
| Department of Personnel | 22 | 6,593 | 6,693 |
| Department of State | 19,481 | 51,275 | 52,697 |
| Department of Transportation | 257,017 | 281,864 | 283,410 |
| Department of the Treasury | 844,562 | 902,959 | 896,862 |
| Interdepartmental Accounts | --- | 3,000 | --- |
| The Judiciary | 42,086 | 39,761 | 55,792 |
| <i>Total Dedicated Funds</i> | <u>2,322,572</u> | <u>2,690,908</u> | <u>2,772,432</u> |
| Federal Funds | | | |
| Department of Agriculture | 239,014 | 255,911 | 280,985 |
| Department of Community Affairs | 274,887 | 279,428 | 279,657 |
| Department of Corrections | 25,583 | 6,845 | 10,265 |
| Department of Education | 766,519 | 824,040 | 846,117 |
| Department of Environmental Protection | 63,571 | 221,510 | 216,330 |
| Department of Health and Senior Services | 1,625,281 | 1,470,737 | 1,615,305 |
| Department of Human Services | 3,574,700 | 3,995,534 | 4,211,126 |
| Department of Labor and Workforce Development | 356,433 | 415,577 | 412,289 |
| Department of Law and Public Safety | 142,766 | 201,629 | 156,154 |
| Department of Military and Veterans' Affairs | 24,594 | 31,867 | 34,339 |
| Department of Personnel | 314 | --- | --- |
| Department of State | 27,699 | 33,352 | 35,064 |
| Department of Transportation | 53,829 | 44,003 | 44,003 |
| Department of the Treasury | 3,786 | 5,638 | 6,070 |
| The Judiciary | 70,014 | 78,558 | 79,929 |
| <i>Total Federal Funds</i> | <u>7,248,990</u> | <u>7,864,629</u> | <u>8,227,633</u> |
| Revolving Funds | | | |
| Legislature | 17 | --- | --- |
| Department of Community Affairs | 9,975 | 7,603 | 7,655 |
| Department of Corrections | 33,286 | 29,852 | 30,035 |
| Department of Education | 4,396 | 4,548 | 4,548 |
| Department of Environmental Protection | 798 | 135 | 325 |
| Department of Health and Senior Services | 18,305 | 14,697 | 16,027 |
| Department of Human Services | 7,052 | 8,035 | 7,686 |
| Department of Labor and Workforce Development | 1,500 | --- | --- |
| Department of Law and Public Safety | 260 | 853 | 853 |
| Department of State | 1,317 | 1,293 | 200 |
| Department of Transportation | 632 | --- | --- |
| Department of the Treasury | 182,222 | 186,575 | 187,407 |
| <i>Total Revolving Funds</i> | <u>259,760</u> | <u>253,591</u> | <u>254,736</u> |
| <i>Total Expenditures General Fund</i> | <u>9,831,322</u> | <u>10,809,128</u> | <u>11,254,801</u> |
| SPECIAL TRANSPORTATION TRUST FUND | | | |
| General | 1,877,921 | 2,008,988 | 2,088,173 |
| GRAND TOTAL EXPENDITURES NOT BUDGETED | <u>11,709,243</u> | <u>12,818,116</u> | <u>13,342,974</u> |

SUMMARIES OF APPROPRIATIONS

TABLE I
SUMMARY OF FISCAL YEAR 2005-2006 APPROPRIATION RECOMMENDATION
(In Thousands)

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

| | 2005 | | 2006 | | ----- Change ----- | |
|--|----------------------|----------------------|---------------------|----------|--------------------|--|
| | Adjusted Approp. | Recommended | Dollar | Percent | | |
| GENERAL FUND AND PROPERTY TAX RELIEF FUND | | | | | | |
| State Aid and Grants | \$ 20,538,882 | \$ 19,720,149 | \$ (818,733) | % | (4.0) | |
| State Operations | | | | | | |
| Executive Branch | 3,392,999 | 3,335,062 | (57,937) | | (1.7) | |
| Legislature | 74,567 | 75,106 | 539 | | 0.7 | |
| Judiciary | 552,326 | 554,026 | 1,700 | | 0.3 | |
| Interdepartmental | 1,696,541 | 1,895,613 | 199,072 | | 11.7 | |
| Total State Operations | \$ 5,716,433 | \$ 5,859,807 | \$ 143,374 | % | 2.5 | |
| Capital Construction | 1,120,529 | 1,089,420 | (31,109) | | (2.8) | |
| Debt Service | 441,533 | 185,376 | (256,157) | | (58.0) | |
| TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND | \$ 27,817,377 | \$ 26,854,752 | \$ (962,625) | % | (3.5) | |
| CASINO CONTROL FUND | 69,285 | 69,285 | 0 | | 0.0 | |
| CASINO REVENUE FUND | 504,897 | 487,204 | (17,693) | | (3.5) | |
| GUBERNATORIAL ELECTIONS FUND | 8,870 | 1,025 | (7,845) | | 0.0 | |
| GRAND TOTAL STATE APPROPRIATIONS | \$ 28,400,429 | \$ 27,412,266 | \$ (988,163) | % | (3.5) | |

TABLE II
SUMMARY OF FISCAL YEAR 2005-06 APPROPRIATION RECOMMENDATIONS
(thousands of dollars)

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

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | |
|---------------------------------|------------------------|------------------------------------|--------------------|-------------------|---|-------------------|-------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | General Fund | | |
| 5,338,867 | 417,090 | 41,028 | 5,796,985 | 5,530,223 | 5,716,433 | 5,866,352 | 5,859,807 |
| 6,341,108 | 275,703 | -80,008 | 6,536,803 | 6,444,461 | 7,834,189 | 8,024,597 | 7,828,853 |
| 3,634,072 | 58,604 | -6,404 | 3,686,272 | 3,614,431 | 3,735,441 | 2,280,766 | 2,241,296 |
| 1,150,038 | 166,432 | -13,004 | 1,303,466 | 1,117,010 | 1,120,529 | 1,089,420 | 1,089,420 |
| 442,481 | 5 | --- | 442,486 | 438,066 | 441,533 | 185,376 | 185,376 |
| 16,906,566 | 917,834 | -58,388 | 17,766,012 | 17,144,191 | 18,848,125 | 17,446,511 | 17,204,752 |
| | | | | | Property Tax Relief Fund | | |
| 7,150,735 | 6,458 | 92,403 | 7,249,596 | 7,219,722 | 8,969,252 | 9,650,000 | 9,650,000 |
| 64,637 | 1,966 | --- | 66,603 | 65,340 | 69,285 | 69,285 | 69,285 |
| 447,200 | 127,945 | --- | 575,145 | 573,476 | 504,897 | 487,204 | 487,204 |
| --- | --- | --- | --- | --- | 8,870 | 1,025 | 1,025 |
| | | | | | Casino Control Fund | | |
| | | | | | Casino Revenue Fund | | |
| | | | | | Gubernatorial Elections Fund | | |
| 24,569,138 | 1,054,203 | 34,015 | 25,657,356 | 25,002,729 | 28,400,429 | 27,654,025 | 27,412,266 |
| | | | | | GRAND TOTAL STATE APPROPRIATIONS | | |

SUMMARIES OF APPROPRIATIONS

TABLE III
SUMMARY OF APPROPRIATIONS BY ORGANIZATION

(thousands of dollars)

Table III shows comprehensive prior year financial data, current year appropriations, and budget year recommendations by major spending category, governmental branch, and department.

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|-------------------------------------|------------------------|------------------------------------|--------------------|------------------|---|-----------------------------|------------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| <u>DIRECT STATE SERVICES</u> | | | | | | | | |
| Legislative Branch | | | | | | | | |
| 10,694 | 2,162 | 800 | 13,656 | 11,326 | Senate | 11,644 | 11,644 | 11,644 |
| 17,305 | 2,260 | 1,600 | 21,165 | 18,623 | General Assembly | 19,155 | 19,155 | 19,155 |
| 26,933 | 5,000 | --- | 31,933 | 30,895 | Legislative Support Services | 29,038 | 29,038 | 29,038 |
| 14,119 | 5,529 | --- | 19,648 | 13,155 | Legislative Commission | 14,730 | 15,269 | 15,269 |
| 69,051 | 14,951 | 2,400 | 86,402 | 73,999 | Total Legislative Branch | 74,567 | 75,106 | 75,106 |
| Executive Branch | | | | | | | | |
| 5,351 | 766 | 17 | 6,134 | 5,141 | Chief Executive | 5,537 | 4,972 | 4,972 |
| 9,384 | 2,090 | 352 | 11,826 | 11,266 | Department of Agriculture | 9,513 | 9,415 | 9,415 |
| 68,018 | 8,646 | -2,500 | 74,164 | 66,696 | Department of Banking and Insurance | 68,837 | 67,837 | 67,837 |
| 34,771 | 20,874 | -5,542 | 50,103 | 45,644 | Department of Community Affairs | 37,356 | 36,491 | 36,491 |
| 845,325 | 214 | 2,744 | 848,283 | 845,531 | Department of Corrections | 904,546 | 913,940 | 913,940 |
| 61,646 | 2,817 | -2,537 | 61,926 | 56,855 | Department of Education | 63,206 | 69,374 | 69,374 |
| 219,133 | 27,271 | 5,821 | 252,225 | 236,091 | Department of Environmental Protection | 225,524 | 216,636 | 216,636 |
| 74,544 | 8,365 | 9,156 | 92,065 | 88,579 | Department of Health and Senior Services | 79,058 | 67,907 | 67,907 |
| 73,673 | 8,341 | 9,068 | 91,082 | 87,642 | (From General Fund) | 78,187 | 67,036 | 67,036 |
| 871 | 24 | 88 | 983 | 937 | (From Casino Revenue Fund) | 871 | 871 | 871 |
| 678,738 | 16,461 | 87,055 | 782,254 | 768,455 | Department of Human Services | 773,288 | 759,742 | 759,742 |
| 60,018 | 37,859 | 154 | 98,031 | 91,194 | Department of Labor and Workforce Development | 62,012 | 60,946 | 60,946 |
| 506,273 | 129,909 | 9,756 | 645,938 | 569,687 | Department of Law and Public Safety | 553,937 | 560,466 | 560,466 |
| 468,482 | 129,853 | 9,756 | 608,091 | 532,328 | (From General Fund) | 513,246 | 519,775 | 519,775 |
| 37,699 | 55 | --- | 37,754 | 37,266 | (From Casino Control Fund) | 40,599 | 40,599 | 40,599 |
| 92 | 1 | --- | 93 | 93 | (From Casino Revenue Fund) | 92 | 92 | 92 |
| 77,802 | 3,331 | 605 | 81,738 | 80,049 | Department of Military and Veterans' Affairs | 84,031 | 85,011 | 85,011 |
| 25,936 | 7,391 | --- | 33,327 | 30,414 | Department of Personnel | 26,307 | 25,701 | 25,701 |
| 23,462 | 769 | 151 | 24,382 | 23,220 | Department of State | 32,617 | 31,631 | 25,086 |
| 102,331 | 7,266 | -2,403 | 107,194 | 104,791 | Department of Transportation | 105,657 | 92,175 | 92,175 |
| 397,070 | 58,844 | 2,098 | 458,012 | 429,624 | Department of the Treasury | 430,426 | 408,208 | 408,208 |
| 370,132 | 56,933 | 2,098 | 429,163 | 401,550 | (From General Fund) | 401,740 | 379,522 | 379,522 |
| 26,938 | 1,911 | --- | 28,849 | 28,074 | (From Casino Control Fund) | 28,686 | 28,686 | 28,686 |
| 1,373 | 35 | --- | 1,408 | 1,404 | Miscellaneous Commissions | 1,395 | 1,403 | 1,403 |
| 3,191,175 | 332,908 | 104,927 | 3,629,010 | 3,454,641 | Total Executive Branch | 3,463,247 | 3,411,855 | 3,405,310 |
| 3,125,575 | 330,917 | 104,839 | 3,561,331 | 3,388,271 | (From General Fund) | 3,392,999 | 3,341,607 | 3,335,062 |
| 64,637 | 1,966 | --- | 66,603 | 65,340 | (From Casino Control Fund) | 69,285 | 69,285 | 69,285 |
| 963 | 25 | 88 | 1,076 | 1,030 | (From Casino Revenue Fund) | 963 | 963 | 963 |
| Inter-Departmental Accounts | | | | | | | | |
| 147,726 | 4,596 | -2,639 | 149,683 | 149,221 | Property Rentals | 153,932 | 141,920 | 141,920 |
| 100,575 | 325 | --- | 100,900 | 93,614 | Insurance and Other Services | 93,411 | 94,011 | 94,011 |
| 1,247,359 | 380 | 14,951 | 1,262,690 | 1,242,587 | Employee Benefits | 1,355,644 | 1,473,483 | 1,473,483 |
| 52,820 | 1,900 | -20,220 | 34,500 | 26,122 | Other Inter-Departmental Accounts | 56,969 | 55,721 | 55,721 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|-------------------------------------|---------------------|----------------------------|------------------|------------------|---|-----------------------|------------------|------------------|
| Orig. & (S)Supplemental | Reapp. & (R)Recpts. | Transfers & (E)Emergencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recommended |
| <u>DIRECT STATE SERVICES</u> | | | | | | | | |
| 64,404 | 50,098 | -72,142 | 42,360 | 6,941 | Salary Increases and Other Benefits | 7,500 | 97,624 | 97,624 |
| 29,193 | 1,876 | 447 | 31,516 | 31,301 | Utilities and Other Services | 29,085 | 32,854 | 32,854 |
| 1,642,077 | 59,175 | -79,603 | 1,621,649 | 1,549,786 | Total Inter-Departmental Accounts | 1,696,541 | 1,895,613 | 1,895,613 |
| Judicial Branch | | | | | | | | |
| 502,164 | 12,047 | 13,392 | 527,603 | 518,167 | The Judiciary | 552,326 | 554,026 | 554,026 |
| 502,164 | 12,047 | 13,392 | 527,603 | 518,167 | Total Judicial Branch | 552,326 | 554,026 | 554,026 |
| 5,404,467 | 419,081 | 41,116 | 5,864,664 | 5,596,593 | Total Direct State Services | 5,786,681 | 5,936,600 | 5,930,055 |
| 5,338,867 | 417,090 | 41,028 | 5,796,985 | 5,530,223 | (From General Fund) | 5,716,433 | 5,866,352 | 5,859,807 |
| 64,637 | 1,966 | --- | 66,603 | 65,340 | (From Casino Control Fund) | 69,285 | 69,285 | 69,285 |
| 963 | 25 | 88 | 1,076 | 1,030 | (From Casino Revenue Fund) | 963 | 963 | 963 |
| <u>GRANTS-IN-AID</u> | | | | | | | | |
| Executive Branch | | | | | | | | |
| 436 | 220 | 469 | 1,125 | 930 | Department of Agriculture | 2,755 | 1,575 | 1,575 |
| --- | 111 | -111 | --- | --- | Commerce and Economic Development | --- | --- | --- |
| 36,865 | 7,044 | 5,407 | 49,316 | 42,743 | Department of Community Affairs | 69,005 | 51,165 | 51,165 |
| 89,386 | 5,022 | -32 | 94,376 | 92,161 | Department of Corrections | 113,599 | 114,504 | 114,504 |
| 9,443 | --- | -270 | 9,173 | 8,860 | Department of Education | 25,544 | 18,879 | 18,879 |
| 9,250 | 4,416 | 3,468 | 17,134 | 7,818 | Department of Environmental Protection | 16,250 | --- | --- |
| 1,030,967 | 132,001 | -8,711 | 1,154,257 | 1,119,269 | Department of Health and Senior Services | 1,774,452 | 1,540,408 | 1,540,408 |
| 731,365 | 4,081 | -8,623 | 726,823 | 693,357 | (From General Fund) | 1,416,982 | 1,209,696 | 1,209,696 |
| 299,602 | 127,920 | -88 | 427,434 | 425,912 | (From Casino Revenue Fund) | 357,470 | 330,712 | 330,712 |
| 3,401,636 | 240,493 | -19,407 | 3,622,722 | 3,609,017 | Department of Human Services | 3,715,938 | 3,995,737 | 3,995,737 |
| 3,282,899 | 240,493 | -19,407 | 3,503,985 | 3,490,381 | (From General Fund) | 3,597,201 | 3,877,000 | 3,877,000 |
| 118,737 | --- | --- | 118,737 | 118,636 | (From Casino Revenue Fund) | 118,737 | 118,737 | 118,737 |
| 44,957 | --- | -4,074 | 40,883 | 40,883 | Department of Labor and Workforce Development | 45,694 | 46,694 | 46,694 |
| 42,517 | --- | -4,074 | 38,443 | 38,443 | (From General Fund) | 43,254 | 44,254 | 44,254 |
| 2,440 | --- | --- | 2,440 | 2,440 | (From Casino Revenue Fund) | 2,440 | 2,440 | 2,440 |
| 18,822 | --- | 35 | 18,857 | 18,557 | Department of Law and Public Safety | 28,259 | 20,414 | 20,414 |
| 18,822 | --- | 35 | 18,857 | 18,557 | (From General Fund) | 19,389 | 19,389 | 19,389 |
| --- | --- | --- | --- | --- | (From Gubernatorial Election Fund) | 8,870 | 1,025 | 1,025 |
| 1,044 | 63 | --- | 1,107 | 1,052 | Department of Military and Veterans' Affairs | 1,044 | 1,544 | 1,544 |
| 1,090,689 | 9,055 | -35,911 | 1,063,833 | 1,046,194 | Department of State | 1,197,575 | 1,376,754 | 1,186,627 |
| 193,827 | 3,513 | 17 | 197,357 | 195,608 | Department of Transportation | 278,700 | 278,700 | 278,700 |
| 1,073,974 | 38 | -25,781 | 1,048,231 | 1,026,288 | Department of the Treasury | 2,007,572 | 812,002 | 806,385 |
| 211,663 | 38 | -10,781 | 200,920 | 197,477 | (From General Fund) | 244,861 | 235,114 | 229,497 |
| 862,311 | --- | -15,000 | 847,311 | 828,811 | (From Property Tax Relief Fund) | 1,762,711 | 576,888 | 576,888 |
| 7,001,296 | 401,976 | -84,901 | 7,318,371 | 7,209,380 | Total Executive Branch | 9,276,387 | 8,258,376 | 8,062,632 |
| 5,718,206 | 274,056 | -69,813 | 5,922,449 | 5,833,581 | (From General Fund) | 7,026,159 | 7,228,574 | 7,032,830 |
| 862,311 | --- | -15,000 | 847,311 | 828,811 | (From Property Tax Relief Fund) | 1,762,711 | 576,888 | 576,888 |
| 420,779 | 127,920 | -88 | 548,611 | 546,988 | (From Casino Revenue Fund) | 478,647 | 451,889 | 451,889 |
| --- | --- | --- | --- | --- | (From Gubernatorial Election Fund) | 8,870 | 1,025 | 1,025 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|------------------------------------|------------------------|------------------------------------|--------------------|-------------------|--|-----------------------------|-------------------|-------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| GRANTS-IN-AID | | | | | | | | |
| Inter-Departmental Accounts | | | | | | | | |
| 555,207 | 1,646 | -9,695 | 547,158 | 545,447 | Employee Benefits | 618,535 | 661,772 | 661,772 |
| 200 | --- | -200 | --- | --- | Other Inter-Departmental Accounts | 102,925 | 14,925 | 14,925 |
| --- | --- | --- | --- | --- | Salary Increases and Other Benefits | --- | 17,773 | 17,773 |
| 67,495 | 1 | -600 | 66,896 | 65,133 | Aid to Independent Authorities | 86,570 | 101,553 | 101,553 |
| 622,902 | 1,647 | -10,495 | 614,054 | 610,580 | Total Inter-Departmental Accounts | 808,030 | 796,023 | 796,023 |
| Judicial Branch | | | | | | | | |
| --- | --- | 300 | 300 | 300 | The Judiciary | --- | --- | --- |
| --- | --- | 300 | 300 | 300 | Total Judicial Branch | --- | --- | --- |
| 7,624,198 | 403,623 | -95,096 | 7,932,725 | 7,820,260 | Total Grants-in-Aid | 10,084,417 | 9,054,399 | 8,858,655 |
| 6,341,108 | 275,703 | -80,008 | 6,536,803 | 6,444,461 | (From General Fund) | 7,834,189 | 8,024,597 | 7,828,853 |
| 862,311 | --- | -15,000 | 847,311 | 828,811 | (From Property Tax Relief Fund) | 1,762,711 | 576,888 | 576,888 |
| 420,779 | 127,920 | -88 | 548,611 | 546,988 | (From Casino Revenue Fund) | 478,647 | 451,889 | 451,889 |
| --- | --- | --- | --- | --- | (From Gubernatorial Election Fund) | 8,870 | 1,025 | 1,025 |
| STATE AID | | | | | | | | |
| Executive Branch | | | | | | | | |
| 11,015 | --- | --- | 11,015 | 10,678 | Department of Agriculture | 11,085 | 11,727 | 11,727 |
| 980,065 | 35,581 | -18,808 | 996,838 | 971,020 | Department of Community Affairs | 1,032,765 | 1,014,265 | 1,014,265 |
| 19,996 | 35,581 | --- | 55,577 | 29,825 | (From General Fund) | 103,196 | 93,196 | 93,196 |
| 960,069 | --- | -18,808 | 941,261 | 941,195 | (From Property Tax Relief Fund) | 929,569 | 921,069 | 921,069 |
| 8,129,302 | 6,746 | 110,808 | 8,246,856 | 8,223,029 | Department of Education | 8,990,843 | 9,296,264 | 9,296,264 |
| 2,971,208 | 288 | -18,601 | 2,952,895 | 2,937,891 | (From General Fund) | 2,886,705 | 1,320,241 | 1,320,241 |
| 5,158,094 | 6,458 | 129,409 | 5,293,961 | 5,285,138 | (From Property Tax Relief Fund) | 6,104,138 | 7,976,023 | 7,976,023 |
| 14,708 | 4 | -300 | 14,412 | 14,366 | Department of Environmental Protection | 20,872 | 19,072 | 19,072 |
| 4,255 | 4 | --- | 4,259 | 4,237 | (From General Fund) | 12,372 | 10,072 | 10,072 |
| 10,453 | --- | -300 | 10,153 | 10,129 | (From Property Tax Relief Fund) | 8,500 | 9,000 | 9,000 |
| 9,508 | --- | --- | 9,508 | 9,380 | Department of Health and Senior Services | 9,985 | 9,552 | 9,552 |
| 314,222 | 12,161 | 15,345 | 341,728 | 332,714 | Department of Human Services | 371,076 | 466,433 | 466,433 |
| 1,624 | --- | --- | 1,624 | 1,624 | Department of Labor and Workforce Development | 1,624 | 1,522 | 1,522 |
| 15,109 | 8,522 | -1,100 | 22,531 | 11,457 | Department of Law and Public Safety | 18,120 | 8,030 | 8,030 |
| 16,827 | --- | --- | 16,827 | 16,541 | Department of State | 16,827 | 37,407 | 18,537 |
| 25,458 | --- | --- | 25,458 | 25,458 | Department of Transportation | 25,287 | 34,352 | 34,352 |
| 25,458 | --- | --- | 25,458 | 25,458 | (From Casino Revenue Fund) | 25,287 | 34,352 | 34,352 |
| 430,116 | 2,048 | -4,946 | 427,218 | 414,533 | Department of the Treasury | 468,785 | 489,606 | 469,006 |
| 270,308 | 2,048 | -2,048 | 270,308 | 260,084 | (From General Fund) | 304,451 | 322,586 | 301,986 |
| 159,808 | --- | -2,898 | 156,910 | 154,449 | (From Property Tax Relief Fund) | 164,334 | 167,020 | 167,020 |
| 9,947,954 | 65,062 | 100,999 | 10,114,015 | 10,030,800 | Total Executive Branch | 10,967,269 | 11,388,230 | 11,348,760 |
| 3,634,072 | 58,604 | -6,404 | 3,686,272 | 3,614,431 | (From General Fund) | 3,735,441 | 2,280,766 | 2,241,296 |
| 6,288,424 | 6,458 | 107,403 | 6,402,285 | 6,390,911 | (From Property Tax Relief Fund) | 7,206,541 | 9,073,112 | 9,073,112 |
| 25,458 | --- | --- | 25,458 | 25,458 | (From Casino Revenue Fund) | 25,287 | 34,352 | 34,352 |
| 9,947,954 | 65,062 | 100,999 | 10,114,015 | 10,030,800 | Total State Aid | 10,967,269 | 11,388,230 | 11,348,760 |
| 3,634,072 | 58,604 | -6,404 | 3,686,272 | 3,614,431 | (From General Fund) | 3,735,441 | 2,280,766 | 2,241,296 |
| 6,288,424 | 6,458 | 107,403 | 6,402,285 | 6,390,911 | (From Property Tax Relief Fund) | 7,206,541 | 9,073,112 | 9,073,112 |
| 25,458 | --- | --- | 25,458 | 25,458 | (From Casino Revenue Fund) | 25,287 | 34,352 | 34,352 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|------------------------------------|---------------------|----------------------------|-------------------|-------------------|--|-----------------------|-------------------|-------------------|
| Orig. & (S)Supplemental | Reapp. & (R)Recpts. | Transfers & (E)Emergencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recommended |
| <u>CAPITAL CONSTRUCTION</u> | | | | | | | | |
| Legislative Branch | | | | | | | | |
| --- | 108 | --- | 108 | 74 | Legislative Support Services | --- | --- | --- |
| --- | 108 | --- | 108 | 74 | Total Legislative Branch | --- | --- | --- |
| Executive Branch | | | | | | | | |
| --- | 5,141 | --- | 5,141 | 3,999 | Department of Agriculture | --- | --- | --- |
| --- | 10,372 | 3 | 10,375 | 4,269 | Department of Corrections | 500 | 5,000 | 5,000 |
| --- | 1,465 | --- | 1,465 | 324 | Department of Education | --- | 1,050 | 1,050 |
| 140,074 | 60,217 | -5,780 | 194,511 | 100,614 | Department of Environmental Protection | 116,453 | 82,463 | 82,463 |
| 620 | 312 | --- | 932 | 216 | Department of Health and Senior Services | --- | --- | --- |
| 5,600 | 24,848 | --- | 30,448 | 11,878 | Department of Human Services | 10,400 | 11,600 | 11,600 |
| 4,346 | 19,257 | 500 | 24,103 | 5,913 | Department of Law and Public Safety | --- | 4,805 | 4,805 |
| 165 | 1,464 | --- | 1,629 | 920 | Department of Military and Veterans' Affairs | 2,627 | 175 | 175 |
| --- | 2 | --- | 2 | --- | Department of Personnel | --- | --- | --- |
| --- | 1,634 | -992 | 642 | 507 | Department of State | 1,000 | --- | --- |
| 805,000 | 539 | -539 | 805,000 | 804,190 | Department of Transportation | 805,000 | 805,000 | 805,000 |
| --- | 12,860 | 58 | 12,918 | 3,047 | Department of the Treasury | --- | --- | --- |
| --- | 2 | --- | 2 | --- | Miscellaneous Commissions | --- | --- | --- |
| 955,805 | 138,113 | -6,750 | 1,087,168 | 935,877 | Total Executive Branch | 935,980 | 910,093 | 910,093 |
| Inter-Departmental Accounts | | | | | | | | |
| 194,233 | 28,211 | -6,254 | 216,190 | 181,059 | Capital Projects - Statewide | 184,549 | 179,327 | 179,327 |
| 194,233 | 28,211 | -6,254 | 216,190 | 181,059 | Total Inter-Departmental Accounts | 184,549 | 179,327 | 179,327 |
| 1,150,038 | 166,432 | -13,004 | 1,303,466 | 1,117,010 | Total Capital Construction | 1,120,529 | 1,089,420 | 1,089,420 |
| <u>DEBT SERVICE</u> | | | | | | | | |
| Executive Branch | | | | | | | | |
| 68,053 | 5 | -3,840 | 64,218 | 63,180 | Department of Environmental Protection | 63,240 | 28,943 | 28,943 |
| 374,428 | --- | 3,840 | 378,268 | 374,886 | Department of the Treasury | 378,293 | 156,433 | 156,433 |
| 442,481 | 5 | --- | 442,486 | 438,066 | Total Executive Branch | 441,533 | 185,376 | 185,376 |
| 442,481 | 5 | --- | 442,486 | 438,066 | Total Debt Service | 441,533 | 185,376 | 185,376 |
| 24,569,138 | 1,054,203 | 34,015 | 25,657,356 | 25,002,729 | GRAND TOTAL- STATE APPROPRIATIONS | 28,400,429 | 27,654,025 | 27,412,266 |
| 16,906,566 | 917,834 | -58,388 | 17,766,012 | 17,144,191 | (From General Fund) | 18,848,125 | 17,446,511 | 17,204,752 |
| 64,637 | 1,966 | --- | 66,603 | 65,340 | (From Casino Control Fund) | 69,285 | 69,285 | 69,285 |
| 7,150,735 | 6,458 | 92,403 | 7,249,596 | 7,219,722 | (From Property Tax Relief Fund) | 8,969,252 | 9,650,000 | 9,650,000 |
| 447,200 | 127,945 | --- | 575,145 | 573,476 | (From Casino Revenue Fund) | 504,897 | 487,204 | 487,204 |
| --- | --- | --- | --- | --- | (From Gubernatorial Election Fund) | 8,870 | 1,025 | 1,025 |

SUMMARIES OF APPROPRIATIONS

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

Table IV shows prior year expenditures, current year appropriations, and budget year request & recommendations by Category or Purpose within fund and major spending category.

| | 2004 Expenditures | 2005 Adjusted Appropriation | 2006 Requested | 2006 Recom- mended |
|---|----------------------|-----------------------------------|-------------------|--------------------------|
| General Fund-- | | | | |
| Direct State Services-- | | | | |
| Personal Services | 2,617,965 | 2,671,732 | 2,808,725 | 2,808,437 |
| Materials and Supplies | 206,198 | 201,529 | 206,136 | 206,022 |
| Services Other Than Personal | 440,890 | 432,685 | 413,215 | 413,128 |
| Maintenance and Fixed Charges | 240,437 | 235,260 | 217,044 | 217,009 |
| Improvements and Equipment | 46,155 | 34,792 | 37,275 | 37,254 |
| Employee Pension and Health Benefits | 1,242,587 | 1,355,644 | 1,473,483 | 1,473,483 |
| Human Services Programs | 86,339 | 125,722 | 50,258 | 50,258 |
| Other | 649,652 | 659,069 | 660,216 | 654,216 |
| <i>Total Direct State Services</i> | <u>5,530,223</u> | <u>5,716,433</u> | <u>5,866,352</u> | <u>5,859,807</u> |
| Grants-in-Aid-- | | | | |
| Employee Pension and Health Benefits | 545,447 | 618,535 | 661,772 | 661,772 |
| Rutgers, The State University | 313,118 | 325,951 | 351,081 | 323,801 |
| University of Medicine and Dentistry of New Jersey | 152,125 | 209,476 | 241,112 | 196,476 |
| New Jersey Institute of Technology | 48,790 | 50,262 | 60,949 | 50,112 |
| State Colleges | 270,882 | 287,918 | 382,728 | 286,854 |
| Other Higher Education Programs | 75,401 | 102,601 | 105,678 | 97,342 |
| Transit Subsidy | 194,149 | 278,700 | 278,700 | 278,700 |
| Student Aid-Scholarships and Grants | 230,431 | 277,188 | 291,751 | 288,251 |
| Support of Independent Higher Education Institutions | 24,798 | 25,359 | 30,640 | 25,359 |
| Correctional Facilities | 92,161 | 113,599 | 114,504 | 114,504 |
| Support of the Arts | 18,472 | 28,900 | 25,830 | 25,830 |
| Income Maintenance Management | 229,188 | 259,766 | 241,672 | 241,672 |
| Medicaid and Pharmaceutical Assistance to the Aged and Disabled | 2,671,462 | 2,987,128 | 3,163,987 | 3,163,987 |
| Children's Services | 367,170 | 477,530 | 544,791 | 544,791 |
| Services for the Developmentally Disabled | 425,335 | 462,389 | 464,157 | 464,157 |
| Mental Health Services | 235,760 | 253,251 | 287,694 | 287,694 |
| AIDS Control | 17,194 | 40,840 | 33,840 | 33,840 |
| Other Human Service Programs | 47,900 | 44,594 | 54,215 | 54,215 |
| Other | 484,678 | 990,202 | 689,496 | 689,496 |
| <i>Total Grants-in-Aid</i> | <u>6,444,461</u> | <u>7,834,189</u> | <u>8,024,597</u> | <u>7,828,853</u> |
| State Aid-- | | | | |
| Educational | 3,141,170 | 3,087,607 | 1,559,271 | 1,519,801 |
| Welfare | 227,492 | 265,566 | 349,858 | 349,858 |
| Health & Senior Services and Human Services | 108,602 | 103,495 | 114,127 | 114,127 |
| Payment to Counties and Municipalities | 91,844 | 183,287 | 171,795 | 171,795 |
| Other | 33,699 | 73,486 | 73,715 | 73,715 |
| Non State Funds | 11,624 | 22,000 | 12,000 | 12,000 |
| <i>Total State Aid</i> | <u>3,614,431</u> | <u>3,735,441</u> | <u>2,280,766</u> | <u>2,241,296</u> |

SUMMARIES OF APPROPRIATIONS

| | 2004 Expenditures | 2005 Adjusted Appropriation | 2006 Requested | 2006 Recom- mended |
|---|----------------------|-----------------------------------|-------------------|--------------------------|
| Capital Construction-- | | | | |
| Transportation | 804,233 | 805,000 | 805,000 | 805,000 |
| Environmental | 100,571 | 116,453 | 82,463 | 82,463 |
| Educational | 324 | --- | 1,050 | 1,050 |
| Institutional | 16,147 | 10,900 | 16,600 | 16,600 |
| All Other | 195,735 | 188,176 | 184,307 | 184,307 |
| <i>Total Capital Construction</i> | <u>1,117,010</u> | <u>1,120,529</u> | <u>1,089,420</u> | <u>1,089,420</u> |
| Debt Service-- | | | | |
| Principal | 265,463 | 267,145 | 13,671 | 13,671 |
| Interest | 172,603 | 174,388 | 171,705 | 171,705 |
| <i>Total Debt Service</i> | <u>438,066</u> | <u>441,533</u> | <u>185,376</u> | <u>185,376</u> |
| <i>Total General Fund</i> | <u>17,144,191</u> | <u>18,848,125</u> | <u>17,446,511</u> | <u>17,204,752</u> |
| Property Tax Relief Fund-- | | | | |
| Homestead Rebates | 531,497 | 1,762,711 | 576,888 | 576,888 |
| Direct School Tax Relief | 297,314 | --- | --- | --- |
| Educational | 5,285,138 | 6,104,138 | 7,976,023 | 7,976,023 |
| Payments to Municipalities | 1,105,773 | 1,102,403 | 1,097,089 | 1,097,089 |
| <i>Total Property Tax Relief Fund</i> | <u>7,219,722</u> | <u>8,969,252</u> | <u>9,650,000</u> | <u>9,650,000</u> |
| Casino Control Fund - Direct State Services-- | | | | |
| Enforcement | 37,266 | 40,599 | 40,599 | 40,599 |
| Administration | 28,074 | 28,686 | 28,686 | 28,686 |
| <i>Total Casino Control Fund - Direct State Services</i> | <u>65,340</u> | <u>69,285</u> | <u>69,285</u> | <u>69,285</u> |
| Casino Revenue Fund-- | | | | |
| Programs for Senior Citizens and the Disabled | 573,476 | 504,897 | 487,204 | 487,204 |
| <i>Total Casino Revenue Fund</i> | <u>573,476</u> | <u>504,897</u> | <u>487,204</u> | <u>487,204</u> |
| Gubernatorial Elections Fund - Grants-In-Aid-- | | | | |
| Public Financing of Gubernatorial General Election | --- | 8,870 | 1,025 | 1,025 |
| <i>Total Gubernatorial Elections Fund - Grants-In-Aid</i> | <u>---</u> | <u>8,870</u> | <u>1,025</u> | <u>1,025</u> |
| GRAND TOTAL STATE APPROPRIATIONS | <u>25,002,729</u> | <u>28,400,429</u> | <u>27,654,025</u> | <u>27,412,266</u> |

SUMMARIES OF APPROPRIATIONS

TABLE V
SUMMARY OF APPROPRIATIONS BY STATEWIDE PROGRAM
(thousands of dollars)

Table V shows detailed prior year financial data, current year appropriations, and budget year recommendations by fund, major spending category, and Statewide Program.

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---|------------------------|------------------------------------|--------------------|-----------|--|-----------------------------|-----------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| GENERAL FUND | | | | | | | | |
| Direct State Services | | | | | | | | |
| 10. Public Safety and Criminal Justice | | | | | | | | |
| --- | 2,404 | -2,404 | --- | --- | 11. Vehicular Safety | --- | --- | --- |
| 293,458 | 17,580 | 7,249 | 318,287 | 306,928 | 12. Law Enforcement | 326,336 | 332,699 | 332,699 |
| 7,494 | 5,193 | -61 | 12,626 | 11,063 | 13. Special Law Enforcement Activities | 11,133 | 10,383 | 10,383 |
| 17,126 | 1,968 | 150 | 19,244 | 18,653 | 14. Military Services | 18,093 | 16,943 | 16,943 |
| 502,164 | 12,047 | 13,392 | 527,603 | 518,167 | 15. Judicial Services | 552,326 | 554,026 | 554,026 |
| 771,686 | 188 | 1,957 | 773,831 | 772,750 | 16. Detention and Rehabilitation | 826,778 | 834,354 | 834,354 |
| 54,445 | 26 | --- | 54,471 | 52,875 | 17. Parole | 58,484 | 60,302 | 60,302 |
| 83,273 | 14 | 1,749 | 85,036 | 84,972 | 18. Juvenile Services | 93,572 | 94,910 | 94,910 |
| 34,398 | --- | 1,223 | 35,621 | 35,102 | 19. Central Planning, Direction and Management | 35,531 | 35,356 | 35,356 |
| 1,764,044 | 39,420 | 23,255 | 1,826,719 | 1,800,510 | Total Appropriation | 1,922,253 | 1,938,973 | 1,938,973 |
| 20. Physical and Mental Health | | | | | | | | |
| 46,524 | 2,022 | 797 | 49,343 | 48,383 | 21. Health Services | 50,838 | 43,688 | 43,688 |
| 5,134 | 6,052 | -3,938 | 7,248 | 7,198 | 22. Health Planning and Evaluation | 5,074 | 4,874 | 4,874 |
| 249,663 | 686 | 32,046 | 282,395 | 281,966 | 23. Mental Health Services | 266,838 | 260,070 | 260,070 |
| 26,853 | 9,221 | -879 | 35,195 | 27,045 | 24. Special Health Services | 24,599 | 26,989 | 26,989 |
| 5,376 | 16 | 2,688 | 8,080 | 8,037 | 25. Health Administration | 6,013 | 6,013 | 6,013 |
| 16,639 | 251 | 9,521 | 26,411 | 24,024 | 26. Senior Services | 16,262 | 12,461 | 12,461 |
| 984 | --- | -110 | 874 | 874 | 27. Disability Services | 1,071 | 1,071 | 1,071 |
| 351,173 | 18,248 | 40,125 | 409,546 | 397,527 | Total Appropriation | 370,695 | 355,166 | 355,166 |
| 30. Educational, Cultural and Intellectual Development | | | | | | | | |
| 648 | --- | -57 | 591 | 591 | 31. Direct Educational Services and Assistance | 1,809 | 1,809 | 1,809 |
| 229,792 | 160 | 4,449 | 234,401 | 234,253 | 32. Operation and Support of Educational Institutions | 220,138 | 213,744 | 213,744 |
| 8,694 | 937 | -1,000 | 8,631 | 8,494 | 33. Supplemental Education and Training Programs | 9,208 | 9,208 | 9,208 |
| 41,964 | 2,788 | -2,832 | 41,920 | 37,848 | 34. Educational Support Services | 41,190 | 47,958 | 47,958 |
| 15,776 | 8 | 352 | 16,136 | 15,211 | 35. Education Administration and Management | 17,058 | 16,458 | 16,458 |
| 3,955 | 14 | 100 | 4,069 | 3,530 | 36. Higher Educational Services | 3,930 | 4,080 | 3,930 |
| 13,973 | 2 | 51 | 14,026 | 14,018 | 37. Cultural and Intellectual Development Services | 20,356 | 20,251 | 13,856 |
| 314,802 | 3,909 | 1,063 | 319,774 | 313,945 | Total Appropriation | 313,689 | 313,508 | 306,963 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---------------------------------|------------------------|------------------------------------|--------------------|-----------|---|-----------------------------|-----------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | 40. Community Development and Environmental Management | | | |
| 22,260 | 20,782 | -5,254 | 37,788 | 33,643 | 41. Community Development Management | 23,786 | 23,734 | 23,734 |
| 60,465 | 2,110 | 4,439 | 67,014 | 65,689 | 42. Natural Resource Management | 63,662 | 62,984 | 62,984 |
| 36,676 | 8,372 | -145 | 44,903 | 40,184 | 43. Science and Technical Programs | 40,169 | 36,243 | 36,243 |
| 51,424 | 14,380 | -289 | 65,515 | 57,762 | 44. Site Remediation and Waste Management | 46,577 | 45,013 | 45,013 |
| 32,919 | 1,705 | -51 | 34,573 | 34,322 | 45. Environmental Regulation | 35,870 | 35,126 | 35,126 |
| 19,858 | 2 | 1,031 | 20,891 | 20,849 | 46. Environmental Planning and Administration | 20,349 | 19,875 | 19,875 |
| 19,031 | 702 | 836 | 20,569 | 18,525 | 47. Compliance and Enforcement | 20,137 | 18,635 | 18,635 |
| 9,384 | 2,090 | 352 | 11,826 | 11,266 | 49. Agricultural Resources, Planning, and Regulation | 9,513 | 9,415 | 9,415 |
| 252,017 | 50,143 | 919 | 303,079 | 282,240 | Total Appropriation | 260,063 | 251,025 | 251,025 |
| | | | | | 50. Economic Planning, Development and Security | | | |
| 3,356 | 36 | 165 | 3,557 | 3,352 | 51. Economic Planning and Development | 5,080 | 4,513 | 4,513 |
| 96,738 | 12,819 | -2,259 | 107,298 | 96,426 | 52. Economic Regulation | 98,407 | 97,407 | 97,407 |
| 64,275 | 19,564 | -2,563 | 81,276 | 73,784 | 53. Economic Assistance and Security | 66,732 | 66,732 | 66,732 |
| 20,295 | 22,942 | 478 | 43,715 | 39,830 | 54. Manpower and Employment Services | 21,400 | 20,443 | 20,443 |
| 110,527 | 2 | 49,097 | 159,626 | 159,423 | 55. Social Services Programs | 193,980 | 182,108 | 182,108 |
| 295,191 | 55,363 | 44,918 | 395,472 | 372,815 | Total Appropriation | 385,599 | 371,203 | 371,203 |
| | | | | | 60. Transportation Programs | | | |
| 96,756 | 4,777 | -9 | 101,524 | 99,219 | 61. State and Local Highway Facilities | 99,252 | 85,770 | 85,770 |
| 5,575 | 85 | 10 | 5,670 | 5,572 | 64. Regulation and General Management | 6,405 | 6,405 | 6,405 |
| 102,331 | 4,862 | 1 | 107,194 | 104,791 | Total Appropriation | 105,657 | 92,175 | 92,175 |
| | | | | | 70. Government Direction, Management and Control | | | |
| 54,932 | 9,422 | 2,400 | 66,754 | 60,844 | 71. Legislative Activities | 59,837 | 59,837 | 59,837 |
| 20,384 | 12,454 | -3,687 | 29,151 | 28,533 | 72. Governmental Review and Oversight | 20,287 | 22,406 | 22,406 |
| 162,986 | 22,941 | -276 | 185,651 | 176,570 | 73. Financial Administration | 186,260 | 157,333 | 157,333 |
| 1,762,277 | 81,965 | -78,604 | 1,765,638 | 1,675,695 | 74. General Government Services | 1,818,252 | 2,015,345 | 2,015,345 |
| 4,718 | 87 | -475 | 4,330 | 4,185 | 75. State Subsidies and Financial Aid | 4,590 | 4,472 | 4,472 |
| 52,626 | 2,907 | 9,324 | 64,857 | 63,257 | 76. Management and Administration | 58,576 | 66,374 | 66,374 |
| 14,119 | 5,529 | --- | 19,648 | 13,155 | 77. Legislative Commissions and Committees | 14,730 | 15,269 | 15,269 |
| 2,072,042 | 135,305 | -71,318 | 2,136,029 | 2,022,239 | Total Appropriation | 2,162,532 | 2,341,036 | 2,341,036 |
| | | | | | 80. Special Government Services | | | |
| 126,591 | 108,477 | 1,610 | 236,678 | 174,760 | 82. Protection of Citizens' Rights | 130,007 | 135,198 | 135,198 |
| 60,676 | 1,363 | 455 | 62,494 | 61,396 | 83. Services to Veterans | 65,938 | 68,068 | 68,068 |
| 187,267 | 109,840 | 2,065 | 299,172 | 236,156 | Total Appropriation | 195,945 | 203,266 | 203,266 |
| 5,338,867 | 417,090 | 41,028 | 5,796,985 | 5,530,223 | Total Direct State Services | 5,716,433 | 5,866,352 | 5,859,807 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---------------------------------|------------------------|------------------------------------|--------------------|-----------|---|-----------------------------|-----------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | Grants-in-Aid | | | |
| | | | | | 10. Public Safety and Criminal Justice | | | |
| 565 | --- | --- | 565 | 265 | 12. Law Enforcement | 565 | 565 | 565 |
| 35 | --- | --- | 35 | 35 | 14. Military Services | 35 | 35 | 35 |
| --- | --- | 300 | 300 | 300 | 15. Judicial Services | --- | --- | --- |
| 83,650 | 5,022 | -32 | 88,640 | 87,065 | 16. Detention and Rehabilitation | 83,605 | 81,105 | 81,105 |
| 5,736 | --- | --- | 5,736 | 5,096 | 17. Parole | 29,994 | 33,399 | 33,399 |
| 18,257 | --- | 25 | 18,282 | 18,282 | 18. Juvenile Services | 18,824 | 18,824 | 18,824 |
| --- | --- | 10 | 10 | 10 | 19. Central Planning, Direction and Management | --- | --- | --- |
| 108,243 | 5,022 | 303 | 113,568 | 111,053 | Total Appropriation | 133,023 | 133,928 | 133,928 |
| | | | | | 20. Physical and Mental Health | | | |
| 109,022 | 42 | 10,168 | 119,232 | 117,017 | 21. Health Services | 193,151 | 174,606 | 174,606 |
| 73,269 | --- | -9,975 | 63,294 | 63,294 | 22. Health Planning and Evaluation | 300,725 | 119,725 | 119,725 |
| 234,751 | --- | 1,600 | 236,351 | 235,760 | 23. Mental Health Services | 253,251 | 287,694 | 287,694 |
| 1,883,555 | 228,521 | -5,913 | 2,106,163 | 2,104,320 | 24. Special Health Services | 2,008,879 | 2,181,258 | 2,181,258 |
| 549,074 | 4,039 | -8,816 | 544,297 | 513,046 | 26. Senior Services | 923,106 | 915,365 | 915,365 |
| 82,572 | --- | --- | 82,572 | 80,708 | 27. Disability Services | 90,792 | 103,213 | 103,213 |
| 2,932,243 | 232,602 | -12,936 | 3,151,909 | 3,114,145 | Total Appropriation | 3,769,904 | 3,781,861 | 3,781,861 |
| | | | | | 30. Educational, Cultural and Intellectual Development | | | |
| 417,402 | 963 | 6,970 | 425,335 | 425,335 | 32. Operation and Support of Educational Institutions | 462,389 | 464,157 | 464,157 |
| 4,178 | --- | --- | 4,178 | 4,173 | 33. Supplemental Education and Training Programs | 4,226 | 4,226 | 4,226 |
| 9,443 | --- | -270 | 9,173 | 8,860 | 34. Educational Support Services | 25,544 | 18,879 | 18,879 |
| 1,170,532 | 9,048 | -46,377 | 1,133,203 | 1,115,469 | 36. Higher Educational Services | 1,278,653 | 1,463,837 | 1,268,093 |
| 22,532 | 7 | 41 | 22,580 | 22,580 | 37. Cultural and Intellectual Development Services | 36,622 | 31,552 | 31,552 |
| 1,624,087 | 10,018 | -39,636 | 1,594,469 | 1,576,417 | Total Appropriation | 1,807,434 | 1,982,651 | 1,786,907 |
| | | | | | 40. Community Development and Environmental Management | | | |
| 15,850 | 6,996 | 6,025 | 28,871 | 26,071 | 41. Community Development Management | 31,150 | 31,150 | 31,150 |
| 3,250 | 4,416 | 2,918 | 10,584 | 4,421 | 42. Natural Resource Management | 10,250 | --- | --- |
| 6,000 | --- | 300 | 6,300 | 3,147 | 43. Science and Technical Programs | 6,000 | --- | --- |
| --- | --- | 250 | 250 | 250 | 46. Environmental Planning and Administration | --- | --- | --- |
| 436 | 220 | 469 | 1,125 | 930 | 49. Agricultural Resources, Planning, and Regulation | 2,755 | 1,575 | 1,575 |
| 25,536 | 11,632 | 9,962 | 47,130 | 34,819 | Total Appropriation | 50,155 | 32,725 | 32,725 |
| | | | | | 50. Economic Planning, Development and Security | | | |
| 26,648 | 111 | -500 | 26,259 | 25,105 | 51. Economic Planning and Development | 31,901 | 28,219 | 28,219 |
| 70,840 | --- | --- | 70,840 | 68,692 | 52. Economic Regulation | 70,840 | 70,840 | 70,840 |
| 253,308 | 10,755 | -28,034 | 236,029 | 229,188 | 53. Economic Assistance and Security | 259,766 | 241,672 | 241,672 |
| 42,517 | --- | -4,074 | 38,443 | 38,443 | 54. Manpower and Employment Services | 43,254 | 44,254 | 44,254 |
| 400,288 | 260 | 5,314 | 405,862 | 402,651 | 55. Social Services Programs | 531,989 | 611,381 | 611,381 |
| 793,601 | 11,126 | -27,294 | 777,433 | 764,079 | Total Appropriation | 937,750 | 996,366 | 996,366 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | |
|---|------------------------|------------------------------------|--------------------|-----------|------------------------------|-----------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | 2005 Adjusted Approp. | Requested | Recom- mended |
| 60. Transportation Programs | | | | | | | |
| --- | 1,569 | --- | 1,569 | 1,459 | --- | --- | --- |
| 193,827 | --- | --- | 193,827 | 193,827 | 278,700 | 278,700 | 278,700 |
| --- | 1,944 | 17 | 1,961 | 322 | --- | --- | --- |
| 193,827 | 3,513 | 17 | 197,357 | 195,608 | 278,700 | 278,700 | 278,700 |
| 70. Government Direction, Management and Control | | | | | | | |
| 625,402 | 1,647 | -10,495 | 616,554 | 613,080 | 811,750 | 799,743 | 799,743 |
| 10,500 | 42 | -618 | 9,924 | 6,907 | 10,000 | --- | --- |
| 14,660 | 38 | 689 | 15,387 | 15,336 | 18,064 | 714 | 714 |
| 650,562 | 1,727 | -10,424 | 641,865 | 635,323 | 839,814 | 800,457 | 800,457 |
| 80. Special Government Services | | | | | | | |
| 12,000 | --- | --- | 12,000 | 12,000 | 16,400 | 16,400 | 16,400 |
| 1,009 | 63 | --- | 1,072 | 1,017 | 1,009 | 1,509 | 1,509 |
| 13,009 | 63 | --- | 13,072 | 13,017 | 17,409 | 17,909 | 17,909 |
| 6,341,108 | 275,703 | -80,008 | 6,536,803 | 6,444,461 | 7,834,189 | 8,024,597 | 7,828,853 |
| State Aid | | | | | | | |
| 10. Public Safety and Criminal Justice | | | | | | | |
| 8,090 | 8,522 | -1,100 | 15,512 | 4,674 | 11,090 | 1,000 | 1,000 |
| 7,019 | --- | --- | 7,019 | 6,783 | 7,030 | 7,030 | 7,030 |
| 15,109 | 8,522 | -1,100 | 22,531 | 11,457 | 18,120 | 8,030 | 8,030 |
| 20. Physical and Mental Health | | | | | | | |
| 2,400 | --- | --- | 2,400 | 2,272 | 2,400 | 2,400 | 2,400 |
| 93,510 | 11,646 | --- | 105,156 | 99,222 | 93,510 | 104,575 | 104,575 |
| 7,108 | --- | --- | 7,108 | 7,108 | 7,585 | 7,152 | 7,152 |
| 103,018 | 11,646 | --- | 114,664 | 108,602 | 103,495 | 114,127 | 114,127 |
| 30. Educational, Cultural and Intellectual Development | | | | | | | |
| 1,539,963 | 288 | 501 | 1,540,752 | 1,538,774 | 1,265,061 | 650,148 | 650,148 |
| 4,860 | --- | --- | 4,860 | 4,846 | 4,860 | 4,860 | 4,860 |
| 1,426,385 | --- | -19,102 | 1,407,283 | 1,394,271 | 1,616,784 | 665,233 | 665,233 |
| 188,587 | --- | --- | 188,587 | 186,738 | 184,075 | 201,623 | 181,023 |
| 16,827 | --- | --- | 16,827 | 16,541 | 16,827 | 37,407 | 18,537 |
| 3,176,622 | 288 | -18,601 | 3,158,309 | 3,141,170 | 3,087,607 | 1,559,271 | 1,519,801 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | |
|---|------------------------|------------------------------------|--------------------|-----------|------------------------------|-----------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | 2005 Adjusted Approp. | Requested | Recom- mended |
| 40. Community Development and Environmental Management | | | | | | | |
| 16,925 | 35,581 | --- | 52,506 | 28,756 | 16,925 | 16,925 | 16,925 |
| --- | --- | --- | --- | --- | | | |
| 4,255 | 4 | --- | 4,259 | 4,237 | 2,300 | --- | --- |
| --- | --- | --- | --- | --- | 6,619 | 6,619 | 6,619 |
| 11,015 | --- | --- | 11,015 | 10,678 | 3,453 | 3,453 | 3,453 |
| | | | | | 11,085 | 11,727 | 11,727 |
| 32,195 | 35,585 | --- | 67,780 | 43,671 | 40,382 | 38,724 | 38,724 |
| 50. Economic Planning, Development and Security | | | | | | | |
| 214,712 | 515 | 15,345 | 230,572 | 227,492 | 265,566 | 349,858 | 349,858 |
| 1,624 | --- | --- | 1,624 | 1,624 | 1,624 | 1,522 | 1,522 |
| 6,000 | --- | --- | 6,000 | 6,000 | 12,000 | 12,000 | 12,000 |
| 222,336 | 515 | 15,345 | 238,196 | 235,116 | 279,190 | 363,380 | 363,380 |
| 70. Government Direction, Management and Control | | | | | | | |
| 84,792 | 2,048 | -2,048 | 84,792 | 74,415 | 206,647 | 197,234 | 197,234 |
| 84,792 | 2,048 | -2,048 | 84,792 | 74,415 | 206,647 | 197,234 | 197,234 |
| 3,634,072 | 58,604 | -6,404 | 3,686,272 | 3,614,431 | 3,735,441 | 2,280,766 | 2,241,296 |
| Capital Construction | | | | | | | |
| 10. Public Safety and Criminal Justice | | | | | | | |
| --- | 539 | -539 | --- | --- | --- | --- | --- |
| 3,846 | 9,231 | --- | 13,077 | 2,738 | --- | 4,055 | 4,055 |
| 165 | 1,117 | -17 | 1,265 | 677 | 2,627 | 175 | 175 |
| --- | 3,100 | -234 | 2,866 | 2,559 | 500 | --- | --- |
| 500 | 10,026 | 500 | 11,026 | 3,175 | --- | 750 | 750 |
| --- | 7,272 | 237 | 7,509 | 1,710 | --- | 5,000 | 5,000 |
| 4,511 | 31,285 | -53 | 35,743 | 10,859 | 3,127 | 9,980 | 9,980 |
| 20. Physical and Mental Health | | | | | | | |
| 620 | 306 | --- | 926 | 216 | --- | --- | --- |
| --- | 10,785 | --- | 10,785 | 2,766 | --- | --- | --- |
| --- | 6 | --- | 6 | --- | --- | --- | --- |
| 620 | 11,097 | --- | 11,717 | 2,982 | --- | --- | --- |
| 30. Educational, Cultural and Intellectual Development | | | | | | | |
| --- | 7,586 | --- | 7,586 | 4,191 | --- | --- | --- |
| --- | 1,191 | --- | 1,191 | 146 | --- | --- | --- |
| --- | 508 | --- | 508 | 120 | --- | 1,050 | 1,050 |
| --- | 1,013 | -992 | 21 | --- | --- | --- | --- |
| --- | 537 | --- | 537 | 488 | 1,000 | --- | --- |
| --- | 10,835 | -992 | 9,843 | 4,945 | 1,000 | 1,050 | 1,050 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---------------------------------|------------------------|------------------------------------|--------------------|-------------------|---|-----------------------------|-------------------|-------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | 40. Community Development and Environmental Management | | | |
| 36,294 | 32,967 | -4,780 | 64,481 | 43,149 | 42. Natural Resource Management | 36,233 | 29,106 | 29,106 |
| --- | 2 | --- | 2 | --- | 43. Science and Technical Programs | --- | --- | --- |
| 103,780 | 27,234 | -1,000 | 130,014 | 57,465 | 44. Site Remediation and Waste Management | 80,220 | 53,357 | 53,357 |
| --- | 3 | --- | 3 | --- | 45. Environmental Regulation | --- | --- | --- |
| --- | 13 | --- | 13 | --- | 46. Environmental Planning and Administration | --- | --- | --- |
| --- | 5,141 | --- | 5,141 | 3,999 | 49. Agricultural Resources, Planning, and Regulation | --- | --- | --- |
| 140,074 | 65,360 | -5,780 | 199,654 | 104,613 | Total Appropriation | 116,453 | 82,463 | 82,463 |
| | | | | | 50. Economic Planning, Development and Security | | | |
| --- | 1 | --- | 1 | --- | 52. Economic Regulation | --- | --- | --- |
| --- | 1 | --- | 1 | --- | Total Appropriation | --- | --- | --- |
| | | | | | 60. Transportation Programs | | | |
| 805,000 | --- | --- | 805,000 | 804,190 | 61. State and Local Highway Facilities | 805,000 | 805,000 | 805,000 |
| 805,000 | --- | --- | 805,000 | 804,190 | Total Appropriation | 805,000 | 805,000 | 805,000 |
| | | | | | 70. Government Direction, Management and Control | | | |
| --- | 108 | --- | 108 | 74 | 71. Legislative Activities | --- | --- | --- |
| 194,233 | 41,156 | -6,196 | 229,193 | 184,125 | 74. General Government Services | 184,549 | 179,327 | 179,327 |
| 5,600 | 6,243 | --- | 11,843 | 4,979 | 76. Management and Administration | 10,400 | 11,600 | 11,600 |
| 199,833 | 47,507 | -6,196 | 241,144 | 189,178 | Total Appropriation | 194,949 | 190,927 | 190,927 |
| | | | | | 80. Special Government Services | | | |
| --- | 347 | 17 | 364 | 243 | 83. Services to Veterans | --- | --- | --- |
| --- | 347 | 17 | 364 | 243 | Total Appropriation | --- | --- | --- |
| <i>1,150,038</i> | <i>166,432</i> | <i>-13,004</i> | <i>1,303,466</i> | <i>1,117,010</i> | <i>Total Capital Construction</i> | <i>1,120,529</i> | <i>1,089,420</i> | <i>1,089,420</i> |
| | | | | | Debt Service | | | |
| | | | | | 40. Community Development and Environmental Management | | | |
| 68,053 | 5 | -3,840 | 64,218 | 63,180 | 46. Environmental Planning and Administration | 63,240 | 28,943 | 28,943 |
| 68,053 | 5 | -3,840 | 64,218 | 63,180 | Total Appropriation | 63,240 | 28,943 | 28,943 |
| | | | | | 70. Government Direction, Management and Control | | | |
| 374,428 | --- | 3,840 | 378,268 | 374,886 | 76. Management and Administration | 378,293 | 156,433 | 156,433 |
| 374,428 | --- | 3,840 | 378,268 | 374,886 | Total Appropriation | 378,293 | 156,433 | 156,433 |
| <i>442,481</i> | <i>5</i> | <i>---</i> | <i>442,486</i> | <i>438,066</i> | <i>Total Debt Service</i> | <i>441,533</i> | <i>185,376</i> | <i>185,376</i> |
| 16,906,566 | 917,834 | -58,388 | 17,766,012 | 17,144,191 | Total General Fund | 18,848,125 | 17,446,511 | 17,204,752 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---|------------------------|------------------------------------|--------------------|----------------|---|------------------|------------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | 2005 Adjusted Approp. | Requested | Recom- mended | |
| PROPERTY TAX RELIEF FUND | | | | | | | | |
| Property Tax Relief Fund - Grants-in-Aid | | | | | | | | |
| 70. Government Direction, Management and Control | | | | | | | | |
| 862,311 | --- | -15,000 | 847,311 | 828,811 | 1,762,711 | 576,888 | 576,888 | |
| 862,311 | --- | -15,000 | 847,311 | 828,811 | | | | |
| <i>862,311</i> | <i>---</i> | <i>-15,000</i> | <i>847,311</i> | <i>828,811</i> | | | | |
| | | | | | 75. State Subsidies and Financial Aid | 1,762,711 | 576,888 | 576,888 |
| | | | | | Total Appropriation | 1,762,711 | 576,888 | 576,888 |
| | | | | | <i>Total Property Tax Relief Fund - Grants-in-Aid</i> | <i>1,762,711</i> | <i>576,888</i> | <i>576,888</i> |
| Property Tax Relief Fund - State Aid | | | | | | | | |
| 30. Educational, Cultural and Intellectual Development | | | | | | | | |
| 4,794,258 | 3,186 | 132,067 | 4,929,511 | 4,921,121 | | | | |
| 38,948 | --- | --- | 38,948 | 38,948 | | | | |
| 324,888 | 3,272 | -2,658 | 325,502 | 325,069 | | | | |
| 24,862 | --- | --- | 24,862 | 24,042 | | | | |
| 5,182,956 | 6,458 | 129,409 | 5,318,823 | 5,309,180 | | | | |
| | | | | | 31. Direct Educational Services and Assistance | 5,731,779 | 6,358,976 | 6,358,976 |
| | | | | | 33. Supplemental Education and Training Programs | 38,948 | 38,948 | 38,948 |
| | | | | | 34. Educational Support Services | 333,411 | 1,578,099 | 1,578,099 |
| | | | | | 36. Higher Educational Services | 28,045 | 28,556 | 28,556 |
| | | | | | Total Appropriation | 6,132,183 | 8,004,579 | 8,004,579 |
| 40. Community Development and Environmental Management | | | | | | | | |
| 8,000 | --- | -300 | 7,700 | 7,682 | | | | |
| 2,453 | --- | --- | 2,453 | 2,447 | | | | |
| 10,453 | --- | -300 | 10,153 | 10,129 | | | | |
| | | | | | 46. Environmental Planning and Administration | 8,500 | 9,000 | 9,000 |
| | | | | | 47. Compliance and Enforcement | --- | --- | --- |
| | | | | | Total Appropriation | 8,500 | 9,000 | 9,000 |
| 70. Government Direction, Management and Control | | | | | | | | |
| 1,095,015 | --- | -21,706 | 1,073,309 | 1,071,602 | | | | |
| 1,095,015 | --- | -21,706 | 1,073,309 | 1,071,602 | | | | |
| 6,288,424 | 6,458 | 107,403 | 6,402,285 | 6,390,911 | | | | |
| 7,150,735 | 6,458 | 92,403 | 7,249,596 | 7,219,722 | | | | |
| | | | | | 75. State Subsidies and Financial Aid | 1,065,858 | 1,059,533 | 1,059,533 |
| | | | | | Total Appropriation | 1,065,858 | 1,059,533 | 1,059,533 |
| | | | | | <i>Total Property Tax Relief Fund - State Aid</i> | <i>7,206,541</i> | <i>9,073,112</i> | <i>9,073,112</i> |
| | | | | | Total Property Tax Relief Fund | 8,969,252 | 9,650,000 | 9,650,000 |
| CASINO CONTROL FUND | | | | | | | | |
| Casino Control Fund - Direct State Services | | | | | | | | |
| 10. Public Safety and Criminal Justice | | | | | | | | |
| 37,699 | 55 | --- | 37,754 | 37,266 | | | | |
| 37,699 | 55 | --- | 37,754 | 37,266 | | | | |
| | | | | | 12. Law Enforcement | 40,599 | 40,599 | 40,599 |
| | | | | | Total Appropriation | 40,599 | 40,599 | 40,599 |
| 70. Government Direction, Management and Control | | | | | | | | |
| 26,938 | 1,911 | --- | 28,849 | 28,074 | | | | |
| 26,938 | 1,911 | --- | 28,849 | 28,074 | | | | |
| 64,637 | 1,966 | --- | 66,603 | 65,340 | | | | |
| | | | | | 73. Financial Administration | 28,686 | 28,686 | 28,686 |
| | | | | | Total Appropriation | 28,686 | 28,686 | 28,686 |
| | | | | | Total Casino Control Fund | 69,285 | 69,285 | 69,285 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---|------------------------|------------------------------------|--------------------|------------|---|-------------------|-------------------|-------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | 2005 Adjusted Approp. | Requested | Recom- mended | |
| CASINO REVENUE FUND | | | | | | | | |
| Casino Revenue Fund - Direct State Services | | | | | | | | |
| 20. Physical and Mental Health | | | | | | | | |
| 871 | 24 | 88 | 983 | 937 | 26. Senior Services | 871 | 871 | 871 |
| 871 | 24 | 88 | 983 | 937 | Total Appropriation | 871 | 871 | 871 |
| 80. Special Government Services | | | | | | | | |
| 92 | 1 | --- | 93 | 93 | 82. Protection of Citizens' Rights | 92 | 92 | 92 |
| 92 | 1 | --- | 93 | 93 | Total Appropriation | 92 | 92 | 92 |
| 963 | 25 | 88 | 1,076 | 1,030 | Total Casino Revenue Fund - Direct State Services | 963 | 963 | 963 |
| Casino Revenue Fund - Grants-in-Aid | | | | | | | | |
| 20. Physical and Mental Health | | | | | | | | |
| 500 | --- | --- | 500 | 497 | 21. Health Services | 529 | 529 | 529 |
| 299,102 | 127,920 | -88 | 426,934 | 425,415 | 26. Senior Services | 356,941 | 330,183 | 330,183 |
| 80,328 | --- | --- | 80,328 | 80,328 | 27. Disability Services | 80,328 | 80,328 | 80,328 |
| 379,930 | 127,920 | -88 | 507,762 | 506,240 | Total Appropriation | 437,798 | 411,040 | 411,040 |
| 30. Educational, Cultural and Intellectual Development | | | | | | | | |
| 38,409 | --- | --- | 38,409 | 38,308 | 32. Operation and Support of Educational Institutions | 38,409 | 38,409 | 38,409 |
| 38,409 | --- | --- | 38,409 | 38,308 | Total Appropriation | 38,409 | 38,409 | 38,409 |
| 50. Economic Planning, Development and Security | | | | | | | | |
| 2,440 | --- | --- | 2,440 | 2,440 | 54. Manpower and Employment Services | 2,440 | 2,440 | 2,440 |
| 2,440 | --- | --- | 2,440 | 2,440 | Total Appropriation | 2,440 | 2,440 | 2,440 |
| 420,779 | 127,920 | -88 | 548,611 | 546,988 | Total Casino Revenue Fund - Grants-in-Aid | 478,647 | 451,889 | 451,889 |
| Casino Revenue Fund - State Aid | | | | | | | | |
| 60. Transportation Programs | | | | | | | | |
| 25,458 | --- | --- | 25,458 | 25,458 | 62. Public Transportation | 25,287 | 34,352 | 34,352 |
| 25,458 | --- | --- | 25,458 | 25,458 | Total Appropriation | 25,287 | 34,352 | 34,352 |
| 25,458 | --- | --- | 25,458 | 25,458 | Total Casino Revenue Fund - State Aid | 25,287 | 34,352 | 34,352 |
| 447,200 | 127,945 | --- | 575,145 | 573,476 | Total Casino Revenue Fund | 504,897 | 487,204 | 487,204 |
| GUBERNATORIAL ELECTIONS FUND | | | | | | | | |
| Gubernatorial Elections Fund - Grants-In-Aid | | | | | | | | |
| 10. Public Safety and Criminal Justice | | | | | | | | |
| --- | --- | --- | --- | --- | 13. Special Law Enforcement Activities | 8,870 | 1,025 | 1,025 |
| --- | --- | --- | --- | --- | Total Appropriation | 8,870 | 1,025 | 1,025 |
| --- | --- | --- | --- | --- | Total Gubernatorial Elections Fund | 8,870 | 1,025 | 1,025 |
| 24,569,138 | 1,054,203 | 34,015 | 25,657,356 | 25,002,729 | GRAND TOTAL STATE APPROPRIATIONS | 28,400,429 | 27,654,025 | 27,412,266 |

SUMMARIES OF APPROPRIATIONS

GRANTS-IN-AID

Summary of Appropriations by Department (thousands of dollars)

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---------------------------------|------------------------|------------------------------------|--------------------|------------------|--|-----------------------------|------------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| 436 | 220 | 469 | 1,125 | 930 | Department of Agriculture | 2,755 | 1,575 | 1,575 |
| --- | 111 | -111 | --- | --- | Commerce and Economic Development | --- | --- | --- |
| 36,865 | 7,044 | 5,407 | 49,316 | 42,743 | Department of Community Affairs | 69,005 | 51,165 | 51,165 |
| 89,386 | 5,022 | -32 | 94,376 | 92,161 | Department of Corrections | 113,599 | 114,504 | 114,504 |
| 9,443 | --- | -270 | 9,173 | 8,860 | Department of Education | 25,544 | 18,879 | 18,879 |
| 9,250 | 4,416 | 3,468 | 17,134 | 7,818 | Department of Environmental Protection | 16,250 | --- | --- |
| 731,365 | 4,081 | -8,623 | 726,823 | 693,357 | Department of Health and Senior Services | 1,416,982 | 1,209,696 | 1,209,696 |
| 3,282,899 | 240,493 | -19,407 | 3,503,985 | 3,490,381 | Department of Human Services | 3,597,201 | 3,877,000 | 3,877,000 |
| 42,517 | --- | -4,074 | 38,443 | 38,443 | Department of Labor and Workforce Development | 43,254 | 44,254 | 44,254 |
| 18,822 | --- | 35 | 18,857 | 18,557 | Department of Law and Public Safety | 19,389 | 19,389 | 19,389 |
| 1,044 | 63 | --- | 1,107 | 1,052 | Department of Military and Veterans' Affairs | 1,044 | 1,544 | 1,544 |
| 1,090,689 | 9,055 | -35,911 | 1,063,833 | 1,046,194 | Department of State | 1,197,575 | 1,376,754 | 1,186,627 |
| 193,827 | 3,513 | 17 | 197,357 | 195,608 | Department of Transportation | 278,700 | 278,700 | 278,700 |
| 211,663 | 38 | -10,781 | 200,920 | 197,477 | Department of the Treasury | 244,861 | 235,114 | 229,497 |
| 622,902 | 1,647 | -10,495 | 614,054 | 610,580 | Interdepartmental Accounts | 808,030 | 796,023 | 796,023 |
| --- | --- | 300 | 300 | 300 | The Judiciary | --- | --- | --- |
| 6,341,108 | 275,703 | -80,008 | 6,536,803 | 6,444,461 | Total Appropriation | 7,834,189 | 8,024,597 | 7,828,853 |

SUMMARIES OF APPROPRIATIONS

STATE AID

Summary of Appropriations by Department (thousands of dollars)

| Year Ending June 30, 2004 | | | | | | Year Ending June 30, 2006 | | |
|---------------------------------|------------------------|------------------------------------|--------------------|------------------|--|------------------------------|------------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| 11,015 | --- | --- | 11,015 | 10,678 | Department of Agriculture | 11,085 | 11,727 | 11,727 |
| 19,996 | 35,581 | --- | 55,577 | 29,825 | Department of Community Affairs | 103,196 | 93,196 | 93,196 |
| 2,971,208 | 288 | -18,601 | 2,952,895 | 2,937,891 | Department of Education | 2,886,705 | 1,320,241 | 1,320,241 |
| 4,255 | 4 | --- | 4,259 | 4,237 | Department of Environmental Protection | 12,372 | 10,072 | 10,072 |
| 9,508 | --- | --- | 9,508 | 9,380 | Department of Health and Senior Services | 9,985 | 9,552 | 9,552 |
| 314,222 | 12,161 | 15,345 | 341,728 | 332,714 | Department of Human Services | 371,076 | 466,433 | 466,433 |
| 1,624 | --- | --- | 1,624 | 1,624 | Department of Labor and Workforce Development | 1,624 | 1,522 | 1,522 |
| 15,109 | 8,522 | -1,100 | 22,531 | 11,457 | Department of Law and Public Safety | 18,120 | 8,030 | 8,030 |
| 16,827 | --- | --- | 16,827 | 16,541 | Department of State | 16,827 | 37,407 | 18,537 |
| 270,308 | 2,048 | -2,048 | 270,308 | 260,084 | Department of the Treasury | 304,451 | 322,586 | 301,986 |
| 3,634,072 | 58,604 | -6,404 | 3,686,272 | 3,614,431 | Total Appropriation | 3,735,441 | 2,280,766 | 2,241,296 |

SUMMARIES OF APPROPRIATIONS

CAPITAL CONSTRUCTION Summary of Appropriations by Department (thousands of dollars)

| Year Ending June 30, 2004 | | | | | | Year Ending June 30, 2006 | | |
|---------------------------------|------------------------|------------------------------------|--------------------|------------------|---|------------------------------|------------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| --- | 108 | --- | 108 | 74 | Legislature | --- | --- | --- |
| --- | 5,141 | --- | 5,141 | 3,999 | Department of Agriculture | --- | --- | --- |
| --- | 10,372 | 3 | 10,375 | 4,269 | Department of Corrections | 500 | 5,000 | 5,000 |
| --- | 1,465 | --- | 1,465 | 324 | Department of Education | --- | 1,050 | 1,050 |
| 140,074 | 60,217 | -5,780 | 194,511 | 100,614 | Department of Environmental Protection | 116,453 | 82,463 | 82,463 |
| 620 | 312 | --- | 932 | 216 | Department of Health and Senior Services | --- | --- | --- |
| 5,600 | 24,848 | --- | 30,448 | 11,878 | Department of Human Services | 10,400 | 11,600 | 11,600 |
| 4,346 | 19,257 | 500 | 24,103 | 5,913 | Department of Law and Public Safety | --- | 4,805 | 4,805 |
| 165 | 1,464 | --- | 1,629 | 920 | Department of Military and Veterans' Affairs | 2,627 | 175 | 175 |
| --- | 2 | --- | 2 | --- | Department of Personnel | --- | --- | --- |
| --- | 1,634 | -992 | 642 | 507 | Department of State | 1,000 | --- | --- |
| 805,000 | 539 | -539 | 805,000 | 804,190 | Department of Transportation | 805,000 | 805,000 | 805,000 |
| --- | 12,860 | 58 | 12,918 | 3,047 | Department of the Treasury | --- | --- | --- |
| --- | 2 | --- | 2 | --- | Miscellaneous Commissions | --- | --- | --- |
| 194,233 | 28,211 | -6,254 | 216,190 | 181,059 | Interdepartmental Accounts | 184,549 | 179,327 | 179,327 |
| 1,150,038 | 166,432 | -13,004 | 1,303,466 | 1,117,010 | Total Appropriation | 1,120,529 | 1,089,420 | 1,089,420 |

SUMMARIES OF APPROPRIATIONS

DEBT SERVICE SUMMARY

(thousands of dollars)

| Year Ending June 30, 2004 | | | | | | Year Ending June 30, 2006 | | |
|---------------------------------|------------------------|------------------------------------|--------------------|----------------|--|------------------------------|----------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| 168,132 | --- | 8,784 | 176,916 | 172,603 | Interest on Bonds | 174,388 | 171,705 | 171,705 |
| 274,349 | 5 | -8,784 | 265,570 | 265,463 | Bond Redemption | 267,145 | 13,671 | 13,671 |
| 442,481 | 5 | --- | 442,486 | 438,066 | Total Appropriation | 441,533 | 185,376 | 185,376 |
| 1,030 | --- | --- | 1,030 | 1,030 | State Transportation Bonds (P.L. 1968, c. 126) | --- | --- | --- |
| 976 | --- | -188 | 788 | 788 | Water Conservation Bonds (P.L. 1969, c. 127) | 873 | 878 | 878 |
| 2,681 | --- | -18 | 2,663 | 2,663 | State Recreation and Conservation Land Acquisition and Development Bonds (P.L. 1974, c. 102) | 826 | 781 | 781 |
| 2,431 | --- | -38 | 2,393 | 2,393 | Clean Waters Bonds (P.L. 1976, c. 92) | 211 | 211 | 211 |
| 2,075 | --- | --- | 2,075 | 2,075 | Institutions Construction Bonds (P.L. 1976, c. 93) | 668 | 623 | 623 |
| 650 | --- | --- | 650 | 650 | State Mortgage Assistance Bonds (P.L. 1976, c. 94) | 223 | 208 | 208 |
| 563 | --- | --- | 563 | 562 | Beaches and Harbors Bonds (P.L. 1977, c. 208) | 334 | 312 | 312 |
| 476 | --- | --- | 476 | 475 | Emergency Flood Control Bonds (P.L. 1978, c. 78) | --- | --- | --- |
| 1,307 | --- | --- | 1,307 | 1,307 | Institutional Construction Bonds (P.L. 1978, c. 79) | 334 | 312 | 312 |
| 1,410 | --- | -107 | 1,303 | 1,278 | State Land Acquisition and Development Bonds (P.L. 1978, c. 118) | 848 | 870 | 870 |
| 4,530 | --- | -90 | 4,440 | 4,439 | Transportation Rehabilitation and Improvement Bonds (P.L. 1979, c. 165) | 4,125 | 3,899 | 3,899 |
| 227 | --- | -46 | 181 | 181 | Energy Conservation Bonds (P.L. 1980, c. 68) | 250 | 251 | 251 |
| 1,759 | --- | -255 | 1,504 | 660 | Natural Resources Bonds (P.L. 1980, c. 70) | 2,176 | 2,584 | 2,584 |
| 766 | --- | --- | 766 | 688 | Hazardous Discharge Bonds (P.L. 1981, c. 275) | 705 | 765 | 765 |
| 1,078 | --- | -46 | 1,032 | 1,031 | Community Development Bonds (P.L. 1981, c. 486) | 1,012 | 1,014 | 1,014 |
| 115 | --- | --- | 115 | 89 | 1983 New Jersey Green Acres Bonds (P.L. 1983, c. 354) | 106 | 107 | 107 |
| 65 | --- | --- | 65 | 59 | Shore Protection Bonds (P.L. 1983, c. 356) | 53 | 53 | 53 |
| 290 | --- | -27 | 263 | 263 | Human Services Facilities Construction Bonds (P.L. 1984, c. 157) | 237 | 236 | 236 |
| 308,445 | --- | 19,221 | 327,666 | 327,665 | Refunding Bonds (P.L. 1985, c. 74 as amended by P.L. 1992, c. 182) | 311,043 | 281,460 | 281,460 |
| 2,677 | --- | --- | 2,677 | 2,676 | Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c. 330) | 2,671 | 2,675 | 2,675 |
| 8,524 | --- | -717 | 7,807 | 7,807 | Hazardous Discharge Bonds (P.L. 1986, c. 113) | 7,969 | 12,014 | 12,014 |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | | Year Ending — June 30, 2006 — | | |
|---------------------------------|------------------------|------------------------------------|--------------------|----------------|--|----------------------------------|----------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| 723 | --- | --- | 723 | 687 | 1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L. 1987, c. 265) | 735 | 847 | 847 |
| 7,064 | --- | -832 | 6,232 | 6,230 | Jobs, Education and Competitiveness Bonds (P.L. 1988, c. 78) | 6,214 | 6,240 | 6,240 |
| 4,389 | --- | -424 | 3,965 | 3,964 | 1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation Bonds (P.L. 1989, c.180) | 4,128 | 4,364 | 4,364 |
| 797 | --- | -196 | 601 | 600 | Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181) | 876 | 870 | 870 |
| 9,233 | --- | -1,018 | 8,215 | 8,215 | 1989 New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183) | 8,316 | 8,587 | 8,587 |
| 1,877 | --- | -283 | 1,594 | 1,592 | Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L. 1989, c. 184) | 1,992 | 2,078 | 2,078 |
| 14,778 | --- | 629 | 15,407 | 15,407 | Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 (P.L. 1992, c.88) | 16,360 | 18,047 | 18,047 |
| 8,907 | --- | -1,192 | 7,715 | 7,715 | Developmental Disabilities Waiting List Reduction and HS Fac. Const. Bonds (P.L. 1994, c. 108) | 8,781 | 10,117 | 10,117 |
| 16,034 | --- | -1,837 | 14,197 | 14,196 | Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 (P.L. 1995, c. 204) | 16,100 | 18,564 | 18,564 |
| 4,045 | 5 | -95 | 3,955 | 3,937 | Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996, c. 70) | 4,081 | 5,559 | 5,559 |
| 3,813 | --- | --- | 3,813 | 3,813 | Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L. 1997, c. 125) | 3,811 | 3,809 | 3,809 |
| 22,496 | --- | -6,191 | 16,305 | 12,931 | Statewide Transportation and Local Bridge Bond Act of 1999 (P.L. 1999, c.181) | 26,378 | 30,579 | 30,579 |
| 6,250 | --- | -6,250 | --- | --- | Payments on Future Bond Sales | 16,069 | 16,037 | 16,037 |
| --- | --- | --- | --- | --- | Savings from Refunding and Other Initiatives | -6,972 | -249,575 | -249,575 |
| 442,481 | 5 | --- | 442,486 | 438,066 | Total Appropriation | 441,533 | 185,376 | 185,376 |

SUMMARIES OF APPROPRIATIONS

DEDICATED FUNDS

Summary of Appropriations by Department (thousands of dollars)

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | |
|---------------------------------|------------------------|------------------------------------|--------------------|------------------|---|------------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | Property Tax Relief Fund - Grants-in-Aid | | |
| | | | | | Department of the Treasury | | |
| 537,663 | --- | --- | 537,663 | 531,497 | 1,762,711 | 576,888 | 576,888 |
| 324,648 | --- | -15,000 | 309,648 | 297,314 | --- | --- | --- |
| <i>862,311</i> | <i>---</i> | <i>-15,000</i> | <i>847,311</i> | <i>828,811</i> | <i>1,762,711</i> | <i>576,888</i> | <i>576,888</i> |
| <i>862,311</i> | <i>---</i> | <i>-15,000</i> | <i>847,311</i> | <i>828,811</i> | <i>1,762,711</i> | <i>576,888</i> | <i>576,888</i> |
| | | | | | Property Tax Relief Fund - State Aid | | |
| | | | | | Department of Community Affairs | | |
| 960,069 | --- | -18,808 | 941,261 | 941,195 | 929,569 | 921,069 | 921,069 |
| <i>960,069</i> | <i>---</i> | <i>-18,808</i> | <i>941,261</i> | <i>941,195</i> | <i>929,569</i> | <i>921,069</i> | <i>921,069</i> |
| | | | | | Department of Education | | |
| 3,522,325 | 3,186 | 132,167 | 3,657,678 | 3,649,299 | 4,508,278 | 5,137,995 | 5,137,995 |
| 58,423 | --- | -100 | 58,323 | 58,312 | 61,991 | 59,471 | 59,471 |
| 65,578 | --- | --- | 65,578 | 65,578 | 65,578 | 65,578 | 65,578 |
| 199,512 | --- | --- | 199,512 | 199,512 | 199,512 | 199,512 | 199,512 |
| 948,420 | --- | --- | 948,420 | 948,420 | 896,420 | 896,420 | 896,420 |
| 38,948 | --- | --- | 38,948 | 38,948 | 38,948 | 38,948 | 38,948 |
| 17,337 | 3,272 | -2,458 | 18,151 | 17,750 | 25,169 | 25,169 | 25,169 |
| 305,952 | --- | -200 | 305,752 | 305,720 | 307,287 | 307,287 | 307,287 |
| 1,599 | --- | --- | 1,599 | 1,599 | | | |
| --- | --- | --- | --- | --- | 955 | 775 | 775 |
| --- | --- | --- | --- | --- | --- | 1,244,868 | 1,244,868 |
| <i>5,158,094</i> | <i>6,458</i> | <i>129,409</i> | <i>5,293,961</i> | <i>5,285,138</i> | <i>6,104,138</i> | <i>7,976,023</i> | <i>7,976,023</i> |
| | | | | | Department of Environmental Protection | | |
| 8,000 | --- | -300 | 7,700 | 7,682 | 8,500 | 9,000 | 9,000 |
| 2,453 | --- | --- | 2,453 | 2,447 | --- | --- | --- |
| <i>10,453</i> | <i>---</i> | <i>-300</i> | <i>10,153</i> | <i>10,129</i> | <i>8,500</i> | <i>9,000</i> | <i>9,000</i> |
| | | | | | Department of the Treasury | | |
| 24,862 | --- | --- | 24,862 | 24,042 | 28,045 | 28,556 | 28,556 |
| 109,000 | --- | -2,898 | 106,102 | 106,102 | 109,000 | 109,000 | 109,000 |
| 25,946 | --- | --- | 25,946 | 24,305 | 27,289 | 29,464 | 29,464 |
| <i>159,808</i> | <i>---</i> | <i>-2,898</i> | <i>156,910</i> | <i>154,449</i> | <i>164,334</i> | <i>167,020</i> | <i>167,020</i> |
| 6,288,424 | 6,458 | 107,403 | 6,402,285 | 6,390,911 | 7,206,541 | 9,073,112 | 9,073,112 |
| <i>7,150,735</i> | <i>6,458</i> | <i>92,403</i> | <i>7,249,596</i> | <i>7,219,722</i> | <i>8,969,252</i> | <i>9,650,000</i> | <i>9,650,000</i> |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending June 30, 2006 | | | |
|---------------------------------|------------------------|------------------------------------|--------------------|----------------|---|-----------------------------|----------------|------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | Casino Control Fund - Direct State Services | | | |
| | | | | | Department of Law and Public Safety | | | |
| 37,699 | 55 | --- | 37,754 | 37,266 | | | | |
| | | | | | Gaming Enforcement | | | |
| | | | | | 40,599 | 40,599 | 40,599 | |
| 37,699 | 55 | --- | 37,754 | 37,266 | | | | |
| | | | | | <i>Total Department of Law and Public Safety</i> | | | |
| | | | | | 40,599 | 40,599 | 40,599 | |
| | | | | | Department of the Treasury | | | |
| 26,938 | 1,911 | --- | 28,849 | 28,074 | | | | |
| | | | | | Administration of Casino Gambling | | | |
| | | | | | 28,686 | 28,686 | 28,686 | |
| 26,938 | 1,911 | --- | 28,849 | 28,074 | | | | |
| | | | | | <i>Total Department of the Treasury</i> | | | |
| | | | | | 28,686 | 28,686 | 28,686 | |
| 64,637 | 1,966 | --- | 66,603 | 65,340 | | | | |
| | | | | | <i>Total Casino Control Fund</i> | | | |
| | | | | | 69,285 | 69,285 | 69,285 | |
| | | | | | Casino Revenue Fund - Direct State Services | | | |
| | | | | | Department of Health and Senior Services | | | |
| 871 | 24 | 88 | 983 | 937 | | | | |
| | | | | | Programs for the Aged | | | |
| | | | | | 871 | 871 | 871 | |
| 871 | 24 | 88 | 983 | 937 | | | | |
| | | | | | <i>Total Department of Health and Senior Services</i> | | | |
| | | | | | 871 | 871 | 871 | |
| | | | | | Department of Law and Public Safety | | | |
| 92 | 1 | --- | 93 | 93 | | | | |
| | | | | | Operation of State Professional Boards | | | |
| | | | | | 92 | 92 | 92 | |
| 92 | 1 | --- | 93 | 93 | | | | |
| | | | | | <i>Total Department of Law and Public Safety</i> | | | |
| | | | | | 92 | 92 | 92 | |
| 963 | 25 | 88 | 1,076 | 1,030 | | | | |
| | | | | | <i>Total Casino Revenue Fund - Direct State Services</i> | | | |
| | | | | | 963 | 963 | 963 | |
| | | | | | Casino Revenue Fund - Grants-in-Aid | | | |
| | | | | | Department of Health and Senior Services | | | |
| 500 | --- | --- | 500 | 497 | | | | |
| | | | | | Family Health Services | | | |
| | | | | | 529 | 529 | 529 | |
| 29,558 | --- | 500 | 30,058 | 28,502 | | | | |
| | | | | | Medical Services for the Aged | | | |
| | | | | | 28,461 | 30,531 | 30,531 | |
| 255,182 | 127,920 | -500 | 382,602 | 382,643 | | | | |
| | | | | | Pharmaceutical Assistance to the Aged and Disabled | | | |
| | | | | | 313,596 | 284,768 | 284,768 | |
| 14,362 | --- | -88 | 14,274 | 14,270 | | | | |
| | | | | | Programs for the Aged | | | |
| | | | | | 14,884 | 14,884 | 14,884 | |
| 299,602 | 127,920 | -88 | 427,434 | 425,912 | | | | |
| | | | | | <i>Total Department of Health and Senior Services</i> | | | |
| | | | | | 357,470 | 330,712 | 330,712 | |
| | | | | | Department of Human Services | | | |
| 80,328 | --- | --- | 80,328 | 80,328 | | | | |
| | | | | | Division of Disabilities Services | | | |
| | | | | | 80,328 | 80,328 | 80,328 | |
| 28,827 | --- | --- | 28,827 | 28,726 | | | | |
| | | | | | Purchased Residential Care | | | |
| | | | | | 28,827 | 28,827 | 28,827 | |
| 2,208 | --- | --- | 2,208 | 2,208 | | | | |
| | | | | | Social Supervision and Consultation | | | |
| | | | | | 2,208 | 2,208 | 2,208 | |
| 7,374 | --- | --- | 7,374 | 7,374 | | | | |
| | | | | | Adult Activities | | | |
| | | | | | 7,374 | 7,374 | 7,374 | |
| 118,737 | --- | --- | 118,737 | 118,636 | | | | |
| | | | | | <i>Total Department of Human Services</i> | | | |
| | | | | | 118,737 | 118,737 | 118,737 | |
| | | | | | Department of Labor and Workforce Development | | | |
| 2,440 | --- | --- | 2,440 | 2,440 | | | | |
| | | | | | Vocational Rehabilitation Services | | | |
| | | | | | 2,440 | 2,440 | 2,440 | |
| 2,440 | --- | --- | 2,440 | 2,440 | | | | |
| | | | | | <i>Total Department of Labor and Workforce Development</i> | | | |
| | | | | | 2,440 | 2,440 | 2,440 | |
| 420,779 | 127,920 | -88 | 548,611 | 546,988 | | | | |
| | | | | | <i>Total Casino Revenue Fund - Grants-in-Aid</i> | | | |
| | | | | | 478,647 | 451,889 | 451,889 | |

SUMMARIES OF APPROPRIATIONS

| Year Ending June 30, 2004 | | | | | Year Ending —June 30, 2006— | | | |
|---------------------------------|------------------------|------------------------------------|--------------------|------------------|---|-----------------------------|-------------------|-------------------|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | | 2005 Adjusted Approp. | Requested | Recom- mended |
| | | | | | Casino Revenue Fund - State Aid | | | |
| | | | | | Department of Transportation | | | |
| 25,458 | --- | --- | 25,458 | 25,458 | Railroad and Bus Operations | 25,287 | 34,352 | 34,352 |
| 25,458 | --- | --- | 25,458 | 25,458 | <i>Total Department of Transportation</i> | 25,287 | 34,352 | 34,352 |
| 25,458 | --- | --- | 25,458 | 25,458 | Total Casino Revenue Fund - State Aid | 25,287 | 34,352 | 34,352 |
| 447,200 | 127,945 | --- | 575,145 | 573,476 | Total Casino Revenue Fund | 504,897 | 487,204 | 487,204 |
| | | | | | Gubernatorial Elections Fund - Grants-In-Aid | | | |
| | | | | | Department of Law and Public Safety | | | |
| --- | --- | --- | --- | --- | Election Law Enforcement | 8,870 | 1,025 | 1,025 |
| --- | --- | --- | --- | --- | <i>Total Department of Law and Public Safety</i> | 8,870 | 1,025 | 1,025 |
| --- | --- | --- | --- | --- | Total Gubernatorial Elections Fund | 8,870 | 1,025 | 1,025 |
| 7,662,572 | 136,369 | 92,403 | 7,891,344 | 7,858,538 | Total Appropriation | 9,552,304 | 10,207,514 | 10,207,514 |