

DEPARTMENT OF THE TREASURY
OVERVIEW

The Department of the Treasury is a complex and multifaceted Department. The mission of the Department encompasses: (1) Revenue Collection and Generation, which consists of collecting 12 major taxes that are projected to generate State revenue of \$12.3 billion in fiscal 1997, and operating instant and on-line lottery games that are projected to generate \$665.5 million for aid to education and institutions; (2) Asset Management, which includes advising the Governor on budgeting State revenues and preparing the State budget, accounting for and distributing revenue to all State departments, and monitoring expenditures; preparing the State's financial statements; investing and managing 138 funds with a market value of approximately \$53 billion including the Pension fund and the cash management portfolio; maintaining and preserving the State owned buildings and grounds in the capital complex and other State complexes; developing, implementing and monitoring the integrated State Development and Redevelopment Plan; providing liability, property and health insurance coverage to protect the State's human and physical resources; and buying and selling the State's real property holdings; (3) Statewide Support Services which comprises operating, maintaining, designing, and developing computer and telecommunications systems for all State departments; providing pension and health benefit services for over 565,000 public employees (active and retired); purchasing approximately \$880 million worth of goods and services for all State departments, overseeing 5,000 term contracts used by municipalities and school districts; supervising the design, construction, renovation and restoration of State facilities; negotiating and administering 403 leased facilities covering 6.4 million square feet of office and storage space statewide; procuring, maintaining and managing the vehicles in the State motor fleet; purchasing, storing and delivering over \$41 million of food and supplies to State departments, institutions and correctional facilities; handling all mail, both interoffice and U.S. postal service that is being sent or received by State departments, and overseeing the printing and graphics services operations of State agencies.

The Department's fiscal 1997 Direct State Services budget is recommended at \$176.1 million, a reduction of \$36.5 million or 17% below the fiscal 1996 adjusted appropriation of \$212.6 million.

The Department of Treasury's fiscal 1997 budget reduces spending in several areas. Reductions in postage, telephone, data processing and materials and supplies costs contribute towards the \$36.5 million reduction. Other areas affected by the cut include advertising in the State Lottery, professional services in Taxation and Pensions and Benefits, and maintenance of buildings and grounds in Property Management. Savings are anticipated from the consolidation of revenue management and collection functions currently undertaken by the several state departments under one agency within Treasury. Other reductions to the Department were made to divisions' salary and wages line items. Attrition and a continuation of the voluntary furlough program are anticipated to offset these reductions.

The Department of Treasury's budget is a significant source of state aid to New Jersey municipalities. About \$762 million in state aid is recommended this fiscal year. Included in this total are \$685 million from dedicated taxes, and \$9 million from other revenues, all in the form of direct payments of aid to support municipal programs. In addition, this budget provides \$55.8 million to fully fund local property tax deductions for senior and disabled homeowners and veterans.

This budget also includes \$322 million for continuation of the Homestead Rebate Program in its present abridged form. Senior citizens and disabled persons are eligible for rebates up to \$500, subject to income restrictions. Other households within a more stringent income limit are eligible for a \$90 homeowners' rebate or a \$30 tenants' rebate.

The Casino Control Commission is responsible for the regulation of the operations of the 12 existing casino hotel complexes in Atlantic City. This includes the licensing of all employees and ancillary companies conducting business with the casino industry. The fiscal 1997 budget recommendation, which includes a 2% increase, will provide funding for these activities as well as for the regulation of the 13th casino complex scheduled to open in April of 1996.

The Board of Public Utilities (BPU) regulates the rates for such essential services as natural gas, electricity, water, sewer, and telecommunications including cable television. The \$19.7 million allocated to the BPU in fiscal 1997, which is derived entirely from assessments levied against various utilities conducting business within the State, will enable the board to effectively confront such issues as consumer protection, fiber optic communications as well as changes in the energy industry such as the proliferation of co-generation plants and the restructuring of utility rates to encourage energy conservation and competitive pricing to industry as a lure for economic stimulation.

The Office of Student Assistance is charged with administering student assistance programs. These include Tuition Aid Grants (TAG), with funding of \$137.7 million plus an estimated \$3 million in prior year balances and \$800,000 in State Student Incentive Grant Funding. This recommendation will provide approximately 55,160 awards to lower and middle income students to help cover tuition costs at public and independent colleges. The Higher Education Facilities Trust Fund, at \$21 million, and the Equipment Leasing Fund, at \$19.3 million, will fund debt service for capital and technological needs at the higher education institutions. The Independent College and University Assistance Act will provide \$18.6 million in aid to the State's independent institutions according to a formula that is linked to the changes in the amount of the State's subsidy of the state college system. The majority of state aid for county colleges, at \$128.8 million, directly supports the operational costs of the community colleges. The fiscal 1997 budget also funds several programs that provide important benefits to students and eliminates a few smaller programs that, although commendable, do not directly support the core mission of higher educational services for students.

TREASURY

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	1996 Adjusted Approp.	Requested	Recommended
---	41	2,350	2,391	2,327	Higher Educational Services		
---	41	2,350	2,391	2,327	Student Assistance Programs		
					2,318	2,233	2,233
					<i>Subtotal</i>		
					2,318	2,233	2,233
					Economic Regulation		
4,000	---	---	4,000	3,488	Ratepayer Advocacy		
5,498	720	320	6,538	5,327	3,559	3,658	3,658
1,317	386	80	1,783	1,520	Utility Regulation		
2,904	275	196	3,375	3,333	5,867	5,707	5,707
5,662	1,315	266	7,243	6,242	Regulation of Cable Television		
					1,409	1,404	1,404
					Regulatory Support Services		
					3,126	3,104	3,104
					Management and Administrative Services		
					5,907	5,856	5,856
					<i>Subtotal</i>		
19,381	2,696	862	22,939	19,910	19,868	19,729	19,729
					Governmental Review and Oversight		
1,429	2	-35	1,396	1,389	Office of State Planning		
660	---	10	670	668	1,254	1,208	1,208
					Employee Relations and Collective Negotiations		
					497	489	489
7,279	1	4,996	12,276	7,729	Budget, Management and Planning		
10,597	10,377	-1,314	19,660	18,037	7,096	6,063	6,063
					Accounting and Financial Reporting		
					10,341	7,011	7,011
					<i>Subtotal</i>		
19,965	10,380	3,657	34,002	27,823	19,188	14,771	14,771
					Financial Administration		
82,645	172	2,931	85,748	84,866	Tax Collection Services and Administration		
20,582	290	283	21,155	21,053	89,136	78,056	78,056
4,014	58	23	4,095	4,081	Administration of State Lottery		
					20,425	12,737	12,737
					Management of State Investments		
					4,819	4,156	4,156
					<i>Subtotal</i>		
107,241	520	3,237	110,998	110,000	114,380	94,949	94,949
(---	(---	(---	(---	(---	LESS:		
					Savings from Consolidation of Revenue Activities		
					(---	(1,000)	(1,000)
					<i>Subtotal, Financial Administration</i>		
107,241	520	3,237	110,998	110,000	114,380	93,949	93,949
					General Government Services		
5,064	512	888	6,464	6,373	Purchasing and Inventory Management		
24,618	144	509	25,271	25,126	5,210	5,014	5,014
---	459	---	459	259	Pensions and Benefits		
					26,474	24,225	24,225
					Capital City Redevelopment Corporation		
					435	---	---
12,159	499	814	13,472	13,078	Property Management Services		
2,059	133	-92	2,100	2,090	11,924	9,217	9,217
---	141	---	141	128	Risk Management		
					1,843	1,783	1,783
					Travel Services		
					153	---	---
					<i>Subtotal</i>		
43,900	1,888	2,119	47,907	47,054	46,039	40,239	40,239
					Management and Administration		
898	13	60	971	963	Public Contracts Affirmative Action Office		
9,632	50	1,036	10,718	7,635	998	920	920
					Management and Administrative Services		
					9,845	4,283	4,283
					<i>Subtotal</i>		
10,530	63	1,096	11,689	8,598	10,843	5,203	5,203
201,017	15,588	13,321	229,926	215,712	212,636	176,124	176,124

30. EDUCATIONAL, CULTURAL AND INTELLECTUAL DEVELOPMENT

36. HIGHER EDUCATIONAL SERVICES

OBJECTIVES

1. Assist in ensuring that access to an affordable college education is maintained for all eligible New Jersey students.
2. Provide efficient delivery of Tuition Aid Grants and Scholarship Program awards to qualifying New Jersey students.
3. Guarantee federal student loans for New Jersey students attending both in-state and out-of-state institutions as well as to non-resident students attending school in New Jersey.
4. Provide supplementary student loan assistance to New Jersey resident students and their families through the New Jersey College Loans to Assist State Students (NJCLASS) Program.
5. Provide policy leadership in the area of student financial aid.
6. Act as information clearinghouse for state and federal program and regulatory issues.
7. Maintain federal and state program fiscal records.

PROGRAM CLASSIFICATIONS

46. **Student Assistance Programs.** The Office of Student Assistance (OSA) was created 'in but not of' the Department of the Treasury by the Higher Education Restructuring Act of 1994 (P.L. 1994, c.48) and charged with administering the student assistance programs established under the Student Assistance Board and the Higher Education Assistance Authority as well as other student assistance programs as determined by law. The Governor appoints the Executive Director of the OSA, who acts as the appointing authority and is responsible for the operation of all student assistance programs. The Executive Director also regularly consults with the Commission on Higher Education concerning student assistance matters.

"Student Assistance Programs" include all student financial assistance programs for eligible residents of the State that are administered under the Executive Director, Office of Student Assistance, and the administrative costs of these financial aid programs. Administrative funds cover all program operations, including computing, printing, mailing, research, and personnel costs.

Tuition Aid Grants (TAG) are awarded under the New Jersey Higher Education Tuition Aid Act, NJS 18A:71-41 et seq., to all eligible New Jersey residents attending public and independent colleges and universities in New Jersey. Awards for fiscal year 1997 are estimated to range from \$760 to \$4,334 in the public sector or up to \$5,570 in the independent sector. Award size decreases as family ability to pay increases. Ability to pay is determined by a national need analysis system adjusted to meet New Jersey needs, maintained and administered based on responses to the Free Application for Federal Student Aid (FAFSA). The TAG program is the broad-based state student assistance program which provides for coordination with Federal Aid programs. As such, a TAG grant may be held in conjunction with a Federal award, an EOF grant, or State Scholarship award.

Part-time TAG awards are available to students with special needs through the Part-time TAG for EOF students.

State scholarships are awarded under the Garden State Scholarship Act of 1977, NJS 18A:71-26.1 et seq., to academically meritorious students at participating New Jersey institutions of higher education. Awards under the Garden State Scholarship, Edward J. Bloustein Distinguished Scholars and Urban Scholars programs range up to \$1,000 per year. No awards are available for use outside of New Jersey. Awards are renewable annually based on continued good academic standing.

The Public Tuition Benefits Program (NJS 18A:71-77 et seq.) pays college tuition for the surviving spouse or child of a fire fighter, police officer, first aid rescue squad member, or other law enforcement, civil defense or disaster control worker killed in the line of duty. Benefits received under this program are equal to the cost of tuition at public institutions, or equal to the highest level of tuition charged at public institutions for recipients attending independent institutions.

The Minority Academic Careers Program (NJS 18A:72F-1 et seq. and NJS 18A:72M-1 et seq.) promotes increased numbers of minority faculty at New Jersey institutions by providing up to \$40,000 in loan redemptions for eligible participants who complete their terminal degree and teach at a New Jersey college or university. The undergraduate component of the program seeks to encourage minority students to pursue an academic career path. Faculty advisors are assigned to participating students and the students are eligible for a \$2,000 stipend during their senior year of undergraduate study.

FY 1996 was the last year of funding for the Schools of Professional Nursing program (NJS 18A:64F-3 et seq.), which provided aid to schools of professional nursing up to the limit of \$600 per New Jersey student. Funding has been decreasing since FY 1986, and no appropriation is recommended for this program in FY 1997.

The Veterinary Medicine Education Program (NJS 18A:63A-1 et seq.) provides opportunities for New Jersey residents to enroll in veterinary programs at out-of-state institutions because New Jersey does not have its own school of veterinary medicine. The Office of Student Assistance is authorized to enter into contracts with out-of-state schools for the admission of New Jersey students.

Within OSA, the Higher Education Assistance Authority (NJS 18A:72-1 et seq.) administers State loan programs and federally regulated programs providing for the guarantee or insuring of loans made by banks, savings and loan associations, credit unions, or other qualified lenders to qualified persons for the purpose of assisting them to meet the cost of postsecondary education. Various loans are available through the Federal Family Education Loan Program. Loan amounts available for eligible students vary depending upon financial need, grade level, program length, and aggregate borrowing limits. Federal interest subsidies are available to certain eligible students. Parent borrowers with no adverse credit history may borrow up to the cost of education minus aid, with no limit to the aggregate amount borrowed. In addition, the NJHEAA also offers consolidated loans which combine the outstanding loan payments from certain previously disbursed federal guaranteed loans.

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A legislatively mandated reserve requirement (NJS 18A:72-17) necessitates that the reserve fund shall not be less than either the amount required to acquire defaulted loans during the current fiscal year, or the encumbered reserves required to be maintained on all approved loans outstanding that were approved prior to the effective date of the act, whichever is greater. Federal mandates also require that guarantee agencies maintain minimum reserve levels as part of the agency's guaranty agreement. Additionally, federal regulations restrict the use of any reserve funds to purposes directly associated with the administration of the federal student loan programs as defined within those regulations.

The New Jersey College Loans to Assist State Students (NJCLASS) loan program (NJS 18A:72-34 et seq.) is a program of the NJHEAA established to supplement aid available for New Jersey undergraduate and graduate students. The program is funded from the proceeds of tax exempt bonds issued by the NJHEAA. Under the NJCLASS loan program, the NJHEAA makes student loans to eligible borrowers from the proceeds of the bonds. The NJHEAA reviews all applications to determine the applicants' ability to repay the loan and acts as the servicer of student loans after disbursement. The interest rate paid by borrowers is fixed and will vary with each bond issue in relation to bond market conditions. There is no restriction on family income. The amount borrowed may not exceed a student's estimated cost of attendance minus all other financial assistance received by

the student for the academic period for which the loan is intended.

47. **Support to Independent Institutions.** The Independent College and University Assistance Act (NJS 18A:72B-15 et seq.) provides financial assistance to fourteen eligible New Jersey independent colleges and universities based on the number of New Jersey students enrolled at these institutions. This funding helps to ensure that this valuable sector of the State's system of higher education will continue to provide educational opportunities for New Jersey citizens.

48. **Aid to County Colleges.** (NJS 18A:64A-1 et seq.) The New Jersey system of community colleges was established by statute in 1962, and the first county colleges were opened four years later in Atlantic, Cumberland, Middlesex, and Ocean counties. Today there are 19 institutions: one community college in each of 18 counties, and a bi-county college serving Somerset and Hunterdon counties. They enroll more than 133,000 full-time and part-time students annually and provide access to higher education for a broad range of New Jersey residents who would otherwise be denied the advantages associated with a college education.

State aid is appropriated for county college operational costs and is distributed among the institutions by the State in consultation with the Council of County Colleges according to a formula that includes categorical support and differential funding based on program costs. Aid in amounts not to exceed one-half of project costs may also be provided for capital projects under P.L. 1971, Chapter 12.

EVALUATION DATA

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
PROGRAM DATA				
Student Assistance Programs				
Schools of professional nursing aided	22	22	22	---
Student enrollment	2,236	2,284	2,203	---
Veterinary Medical Education Program				
Student enrollment	92	90	79	82
Schools with contracts	4	4	4	8
Optometric Education Program				
Student enrollment	4	---	---	---
Schools with contracts	1	---	---	---
Garden State Scholars (a)	4,243	4,195	4,598	4,079
Garden State Scholars (Value)	\$2,053,378	\$2,026,349	\$2,291,707	\$2,039,500
Edward J. Bloustein Distinguished Scholars (a)	3,936	3,978	4,008	4,083
Edward J. Bloustein Distinguished Scholars (Value)	\$3,831,426	\$3,858,630	\$4,007,691	\$4,083,000
Public tuition benefits	17	15	40	40
Public tuition benefits (Value)	\$32,059	\$35,036	\$65,000	\$65,000
Urban Scholars (a)	1,977	2,243	2,549	2,415
Urban Scholars (Value)	\$1,884,937	\$2,117,183	\$2,548,938	\$2,415,000
Part-time tuition aid grants for Educational Opportunity Fund				
Students	350	350	350	350
Part-time tuition aid grants for Educational Opportunity Fund				
Students (Value)	\$400,000	\$415,000	\$400,000	\$400,000
Tuition aid grants (b)	48,647	49,912	52,550	55,160
Tuition aid grants (Value)	\$108,939,113	\$118,358,994	\$134,800,000	\$141,483,000
County Colleges	14,544	15,521	16,340	17,160
County Colleges (Value)	\$17,106,598	\$19,349,053	\$23,532,000	\$24,708,000

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	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
State Colleges	13,069	13,142	13,680	14,360
State Colleges (Value)	\$22,979,912	\$24,867,393	\$27,237,000	\$28,601,000
Rutgers/NJIT/UMDNJ	10,992	11,053	11,770	12,360
Rutgers/NJIT/UMDNJ (Value)	\$30,559,611	\$32,516,101	\$36,853,000	\$38,706,000
Independent colleges	10,042	10,196	10,760	11,280
Independent colleges (Value)	\$38,292,992	\$41,626,447	\$47,178,000	\$49,468,000
Total awards- All programs (c)	59,170	60,693	64,095	66,127
Total awards- All programs (Value)	\$117,140,913	\$126,811,192	\$144,113,336	\$150,485,500
Guaranteed Student Loan Program				
Loans outstanding--June 30	791,299	824,583	755,155	746,596
Loans outstanding--June 30 (Value)	\$2,200,476,425	\$2,446,826,884	\$2,240,809,844	\$2,215,411,137
Parent Loans for Undergraduate Students				
Loans Outstanding--June 30	63,727	61,826	64,247	68,633
Loans Outstanding--June 30 (Value)	\$303,274,781	\$294,228,720	\$305,751,098	\$326,626,312
New Jersey College Loans to Assist State Students (NJCLASS)				
Loans Outstanding--June 30	11,191	12,438	15,691	17,853
Loans Outstanding--June 30 (Value)	\$52,425,331	\$60,477,047	\$76,295,742	\$86,804,464

PERSONNEL DATA

Affirmative Action Data

Male Minority	---	13	12	13
Male Minority %	---	23.0	20.0	20.0
Female Minority	---	29	29	31
Female Minority %	---	20.0	20.0	21.0
Total Minority	---	42	38	44
Total Minority %	---	21.0	20.0	20.0

Position Data

Filled Positions by Funding Source

State Supported	34	33	33	30
Federal	145	146	141	175
All Other	15	11	11	11
Total Positions	194	190	185	216

Filled Positions by Program Class

Student Assistance Programs	194	190	185	216
Total Positions	194	190	185	216

Notes: Student Assistance Programs expenditure and award recipients data for fiscal year 1994 and fiscal year 1995 represent actual counts as of November 1995. Further payments and adjustments are anticipated as institutional payments and reconciliation reports are processed. Expenditure estimates for fiscal year 1996 are based upon appropriation levels and current enrollment information as of November 1995.

Actual fiscal years 1994 and 1995 and Revised fiscal year 1996 position data reflect actual payroll counts. The Budget Estimate for fiscal year 1997 reflects the number of positions funded.

(a) Programs funded partially or totally through a transfer of funds.

(b) Includes funds received under the federal State Student Incentive Grant (SSIG) Program.

(c) Totals include all programs; students may be counted more than once if they are receiving aid from more than one program.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom- mended
Distribution by Program								
---	41	2,350	2,391	2,327	46	2,318	2,233	2,233
---	41	2,350	2,391	2,327		2,318 ^(a)	2,233	2,233
Distribution by Object								
Personal Services:								
---	---	1,505	1,505	1,505		1,347	1,181	1,181
---	---	1,505	1,505	1,505		1,347	1,181	1,181

TREASURY

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom- mended
---	---	54	54	54		45	55	55
---	---	744	744	744		796	874	874
---	---	22	22	22		26	23	23
---	---	---	---	---		Special Purpose:		
---	---	---	---	---		Servicing of Governor's Teachers Scholarship Loans		
---	---	---	---	---	46	83	79	79
---	---	---	---	---		83	79	79
---	41	25	66	2		Total Special Purpose		
---	---	---	---	---		21	21	21
---	---	---	---	---		Additions, Improvements and Equipment		

OTHER RELATED APPROPRIATIONS

163,840	14,192	-2,731	175,301	149,887	Total Grants-in-Aid	176,643	218,298	208,138
123,200	200	---	123,400	121,153	Total State Aid	127,991	143,580	128,766
---	---	---	---	---	Total Capital Construction	540	---	---
287,040	14,433	-381	301,092	273,367	Total General Fund	307,492	364,111	339,137
Federal Funds								
12,610	---	---	14,516	13,085	Student Assistance Programs	46	14,581	13,592
1,906 ^S	---	---	14,516	13,085	Total Federal Funds		14,581	13,592
14,516	---	---	14,516	13,085			14,581	13,592
All Other Funds								
---	4,136	---	5,463	1,431	Student Assistance Programs	46	1,641	1,139
---	925 ^R	402	5,463	1,431	Total All Other Funds		1,641	1,139
---	5,061	402	5,463	1,431	GRAND TOTAL		323,714	378,842
301,556	19,494	21	321,071	287,883			378,842	353,868

Note: (a) The fiscal year 1996 appropriation has been adjusted for the allocation of the salary program, and has been reduced to reflect the transfer of funds to the Employee Benefits and Salary and Other Benefit accounts.

HIGHER EDUCATIONAL SERVICES

Of the amount hereinabove for Higher Educational Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's budget first shall be charged to the State Lottery Fund.

50. ECONOMIC PLANNING, DEVELOPMENT AND SECURITY

52. ECONOMIC REGULATION

OBJECTIVES

1. To ensure that utility services are provided at reasonable, non-discriminatory rates to all members of the public who desire such services.
2. To provide a comprehensive energy supply and demand strategy that allows for responsible and necessary economic growth and development without compromising the environment and quality of life in New Jersey.
3. To ensure that New Jersey has available adequate and economical natural gas supplies to meet its home heating requirements, industrial load and an ever growing alternative power production industry.
4. To assist in the development of a state-of-the-art telecommunications network that permits the timely introduction and marketing of new and advanced technology. In addition, seek

- to ensure the full utilization of such network by all segments of our society regardless of income status or physical disabilities.
5. To ensure that New Jersey residents have economical and environmentally safe water supplies, that are provided through strict compliance with the State's Safe Drinking Water Act by all private and public water purveyors under the Board's jurisdiction.
6. To provide adequate, economical and efficient cable television service, with a degree of uniform operation, and the protection of the municipality in the franchise process. In addition, the Board will seek to ensure the responsiveness of cable operators to subscriber's complaints and needs, and the availability of competitively priced alternative television program packaging.

PROGRAM CLASSIFICATIONS

53. **Division of the Ratepayer Advocate.** Pursuant to N.J.S.A. 52:27E-50 et seq., the responsibilities of the Division of the Ratepayer Advocate are to represent the interests of New Jersey ratepayers before regulatory and legal tribunals and decision making bodies, establishing rates and State policies for the delivery of essential regulated services including gas, electric, telephone, water and sewer and cable television. The division is also responsible for the oversight and accounting of revenues received as statutory assessments from regulated utilities and the oversight of its expenditures.

54. **Utility Regulation.** The Board of Regulatory Commissioners controls, through its rate approval process, the charges paid by the public for gas, electric, water, sewer, telephone, telegraph, and pipeline services. A uniform system of accounts and quarterly and annual financial statements and reports are required for disclosure and to permit intelligent public participation in the process. Filings for both rate and fuel adjustment charge changes are approved only to generate sufficient revenues to cover allowable expenses and an equitable return on investment.

The Board assures the safety, adequacy and availability of utility services by conducting hearings which result in the promulgation of rules, regulations and orders, and their enforcement through inspections and investigations. Regular tests are conducted by engineering personnel to minimize the possibility of disruptions or discontinuance of essential services.

55. **Regulation of Cable Television.** Assists local jurisdictions in preparing legislation, franchise agreements and consents; regulates operating and competitive practices to assure reasonable uniformity, reliability, economy and quality of cable television services; cooperates with other states and the Federal government in promoting and coordinating beneficial uses of cable television through balanced programming, including local and educational services.

56. **Energy Resource Management.** Develops and Implements State's energy policies and associated programs, including funding mechanisms to support energy conservation projects, energy education and outreach, energy data collection and analysis and evaluation of energy use and supply.

97. **Regulatory Support Services.** Provides economic analysis of conditions affecting regulated utilities to the Board of Public Utilities and its technical divisions and conducts audits of regulated utilities.

99. **Management and Administrative Services.** The Board of Regulatory Commissioners is a regulatory authority with a statutory mandate to ensure safe, adequate, and proper public utility service at the most equitable rates for all customers in New Jersey. Specifically, the Board has regulatory authority over the electric, gas, telecommunications, water and sewer, and cable television industries. To accomplish its mandate, the Board regulates rates for such utilities by conducting comprehensive reviews to determine the fairness and reasonableness of rates. The Board also has general supervisory responsibility for monitoring utility service, responding to utility consumer complaints and investigating utility accidents.

EVALUATION DATA

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
PROGRAM DATA				
Utility Regulation				
Utilities Regulated				
Electric	5	5	5	5
Gas	5	5	5	5
Telephone and telegraph	20	26	26	26
Water and sewer	88	86	86	86
Municipal water companies	171	171	171	171
Cases Pending June 30				
Cable TV	231	297	297	297
Electric	98	88	88	88
Gas	55	49	55	55
Telephone	81	125	125	125
Water and sewer	76	56	76	76
Regulation of Cable Television				
Cable television systems	49	49	49	49
Cable television subscribers	2,179,105	2,178,105	2,178,105	2,178,105
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	255	282	284	290
Federal	20	20	17	18
All Other	---	3	3	3
Total Positions	275	305	304	311

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	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Filled Positions by Program Class				
Ratepayer Advocate	27	23	27	31
Utility Regulation	102	101	97	101
Regulation of Cable Television	30	32	31	30
Energy Resource Management	20	23	20	21
Regulatory Services	62	62	63	62
Management and Administrative Services	34	64	66	66
Total Positions	275	305	304	311

Note: Actual fiscal years 1994 and 1995 and Revised fiscal year 1996 position data reflect actual payroll counts. The Budget Estimate for fiscal year 1997 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
4,000	---	---	4,000	3,488	Ratepayer Advocacy	53	3,559	3,658	3,658
5,498	720	320	6,538	5,327	Utility Regulation	54	5,867	5,707	5,707
1,317	386	80	1,783	1,520	Regulation of Cable Television	55	1,409	1,404	1,404
2,904	275	196	3,375	3,333	Regulatory Support Services	97	3,126	3,104	3,104
<u>5,662</u>	<u>1,315</u>	<u>266</u>	<u>7,243</u>	<u>6,242</u>	Management and Administrative Services	99	<u>5,907</u>	<u>5,856</u>	<u>5,856</u>
19,381	2,696	862	22,939	19,910	Total Appropriation		19,868^(a)	19,729	19,729
Distribution by Object									
Personal Services:									
	1,634				Salaries and Wages		<u>16,429</u>	<u>16,263</u>	<u>16,263</u>
<u>15,894</u>	<u>340^R</u>	<u>772</u>	<u>18,640</u>	<u>16,456</u>	Total Personal Services		16,429	16,263	16,263
15,894	1,974	772	18,640	16,456	Materials and Supplies		400	353	353
430	213	-217	426	168	Services Other Than Personal		2,241	2,287	2,287
2,048	231	-89	2,190	1,929	Maintenance and Fixed Charges		454	530	530
462	57	161	680	578	Special Purpose:				
<u>116</u>	<u>---</u>	<u>---</u>	<u>116</u>	<u>48</u>	Other Special Purpose		<u>100</u>	<u>40</u>	<u>40</u>
116	---	---	116	48	Total Special Purpose		100	40	40
431	221	235	887	731	Additions, Improvements and Equipment		244	256	256

OTHER RELATED APPROPRIATIONS

Federal Funds									
300	---	---	300	---	Utility Regulation	54	600	600	600
<u>1,415</u>	<u>---</u>	<u>---</u>	<u>1,415</u>	<u>623</u>	Energy Resource Management	56	<u>1,425</u>	<u>1,425</u>	<u>1,425</u>
1,715	---	---	1,715	623	Total Federal Funds		2,025	2,025	2,025
All Other Funds									
	171				Energy Resource Management	56	<u>1,000</u>	<u>---</u>	<u>---</u>
<u>---</u>	<u>360^R</u>	<u>---</u>	<u>531</u>	<u>201</u>	Total All Other Funds		1,000	---	---
21,096	3,227	862	25,185	20,734	GRAND TOTAL		22,893	21,754	21,754

Notes: (a) The fiscal year 1996 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Employee Benefits and Salary and Other Benefits accounts.

LANGUAGE RECOMMENDATIONS

In addition to the sum hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine are appropriated on behalf of the Board of Public Utilities under P.L.1968, c.173 (C. 48:2-59 et seq.) and P.L.1972, c. 186 (C. 48:5A-32 et seq.), or other applicable statutes with respect to assessment of public utilities or the cable television industry.

Receipts derived from fees are appropriated; provided, however, that receipts from fines and penalties are anticipated as revenue for general State purposes.

Fees received from the "Electric Facility Need Assessment Act," P.L. 1983, c.115(C. 48:7-16 et seq.) are appropriated.

The unexpended balances as of June 30, 1996 are appropriated.

Receipts of the Division of Ratepayer Advocate in excess of those anticipated are appropriated for the Division of Ratepayer Advocate to defray the costs of this activity under section 16 of P.L. 1994, c.58 (C.52:27E-63).

There are appropriated from interest earned by the Petroleum Overcharge Reimbursement Fund such sums as may be required for costs attributable to the administration of the fund, subject to the approval of the Director of the Division of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

72. GOVERNMENTAL REVIEW AND OVERSIGHT

OBJECTIVES

1. Prepare a State Development and Redevelopment Plan, issue annual status reports and publish current estimates and forecasts of population, employment, housing and land needs.
2. To assist the Governor's Employee Relations Policy Council in all matters regarding relations between the State and its employees.
3. To plan for, formulate and monitor the annual State Budget.
4. To assure financial responsibility and accountability and provide current, relevant financial information for management and the public.

PROGRAM CLASSIFICATIONS

02. **Office of State Planning (NJSA 52:18A-201).** Assists and supports the State Planning Commission to ensure that its responsibilities and duties are fulfilled and to facilitate a cooperative planning process with maximum involvement and participation of State, county, and local governments, as well as public and private sector interests, to enhance the development of the State and to formulate sound, consistent and integrated State, county, and local plans.
03. **Employee Relations and Collective Negotiations (Executive Order No. 4, 1970).** Staff assistance is provided to the Governor and her decisions are implemented concerning employee relations. Through the Governor's Employee Relations Policy Council, assistance in the development of overall policy and execution of policies is provided. Negotiations with unions and other representatives of State employees are conducted. Agencies are assisted and advised concerning employee relations activities.
05. **Budget, Management and Planning (NJSA 52:27B-12).** Coordinates the annual agency-based planning process, identifies and projects trends affecting the demand for services, provides information and planning support for the process of allocating available financial and human resources,

and evaluates strategic and long-term issues arising from the ability to provide services.

Plans for the most beneficial use of fiscal resources to meet the needs of the citizens of New Jersey within the policy framework set by the Governor in the immediate budget year. Provides continuous studies of State fiscal requirements. Based on these studies and on official requests for appropriations by State departments, determines the necessity and advisability of budget requests and formulates the annual budget submitted by the Governor to the Legislature. Develops and reviews State agency responses on proposed federal legislation and regulations to ensure that the broad State interest and fiscal policy is taken into account. Performs statewide studies to ensure that agencies serving the same clients coordinate programs and resources, thus avoiding unnecessary funding of duplication of effort. Analyzes programs and activities that cross departmental boundaries which may not be at the core of government responsibilities or need, and therefore may be appropriate for elimination or revision for cost reduction.

Also provides for capital and development planning, evaluation of capital construction projects, research into financing of capital facilities and project review relative to coordinating federally financed construction projects for State, local and private agencies.

07. **Accounting and Financial Reporting (NJSA 52:27B-33).** Provides for the receipt, processing, recording and reporting of all financial data of the State's various funds, in accordance with existing statutes and generally accepted accounting principles. All financial transactions and requests for payment are reviewed for propriety before entry into the computerized accounting system, from which official State monthly and annual fiscal reports are prepared. Bank accounts are reconciled with the accounting system. Also includes the Payroll unit, which is responsible for assuring that State employees are paid accurately and on a timely basis. An internal audit unit is engaged in developing procedures, revising accounting systems, and enhancing accounting controls and monitoring financial activities of various State agencies.

TREASURY

EVALUATION DATA

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
PROGRAM DATA				
Accounting and Financial Reporting				
Checks issued	9,000,000	9,500,000	13,300,000 ^(a)	13,500,000
Revenue items processed	175,000	167,000	175,000	175,000
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	292	291	278	278
Total Positions	292	291	278	278
Filled Positions by Program Class				
Office of State Planning	19	23	20	20
Employee Relations and Collective Negotiations	11	10	7	7
Budget, Management and Planning	101	97	97	97
Accounting and Financial Reporting	161	161	154	154
Total Positions	292	291	278	278

Notes: Actual fiscal years 1994 and 1995 and Revised fiscal year 1996 position data reflect actual payroll counts. The Budget Estimate for fiscal year 1997 reflects the number of positions funded.

(a) Increase reflects additional volume associated with County Court Unification.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended	
Distribution by Program									
1,429	2	-35	1,396	1,389	02	1,254	1,208	1,208	
660	---	10	670	668	03	497	489	489	
7,279	1	4,996	12,276	7,729	05	7,096	6,063	6,063	
<u>10,597</u>	<u>10,377</u>	<u>-1,314</u>	<u>19,660</u>	<u>18,037</u>	07	<u>10,341</u>	<u>7,011</u>	<u>7,011</u>	
19,965	10,380	3,657	34,002	27,823		19,188 ^(a)	14,771	14,771	
Distribution by Object									
Personal Services:									
<u>12,593</u>	<u>365^R</u>	<u>1,224</u>	<u>14,182</u>	<u>14,084</u>		<u>13,334</u>	<u>13,300</u>	<u>13,300</u>	
12,593	365	1,224	14,182	14,084		13,334	13,300	13,300	
462	---	-163	299	298		348	315	315	
6,104	---	1,436	7,540	7,532		5,185	919	919	
101	---	8	109	102		102	102	102	
Special Purpose:									
---	10,004 ^R	-10,004	---	---	07	---	---	---	
---	---	6,104	6,104	4,591	07	---	---	---	
45	---	---	456	439	07	45	45	45	
411 ^S	---	---	---	---	07	---	---	---	
<u>79^S</u>	<u>---</u>	<u>---</u>	<u>79</u>	<u>79</u>	07	<u>29</u>	<u>29</u>	<u>29</u>	
535	10,004	-3,900	6,639	5,109		74	74	74	
170	11	5,052	5,233	698		145	61	61	

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	41,934	-13,037	28,897	---				
					07	---	---	---
---	41,934	-13,037	28,897	---		---	---	---
19,965	52,314	-9,380	62,899	27,823		19,188	14,771	14,771
					GRAND TOTAL			

Note: (a) The fiscal year 1996 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Employee Benefits and Salary and Other Benefits accounts.

LANGUAGE RECOMMENDATIONS

The Office of State Planning is authorized to collect reasonable fees for the distribution of its publications, and receipts derived from such fees are appropriated for the Office of State Planning.

Such sums as may be necessary for administrative expenses incurred in processing federal benefit payments are appropriated from such sums as may be received or receivable for this purpose.

In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for an independent audit of the State's general fixed asset account group, and the single audit.

There are appropriated, out of receipts derived from the investment of State funds, such sums as may be necessary for bank service charges, custodial costs, mortgage servicing fees and advertising bank balances under section 1 of P.L.1956, c.174 (C.52:18-16.1).

There are appropriated out of revenues derived from the collection of fees charged for the issuance of dishonored checks, such sums as are necessary to defray administrative processing costs associated with such checks.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

73. FINANCIAL ADMINISTRATION

OBJECTIVES

1. To administer the tax laws of the State so that all properly due taxes are collected.
2. To maximize revenues from the State lottery and minimize illegal organized gambling.
3. To invest and reinvest funds of the various State agencies and pension funds as effectively as possible.
4. To insure that legalized gambling in New Jersey maintains the highest standard of integrity and serves as an effective method for rebuilding and developing existing facilities in Atlantic City, in order to provide a meaningful and permanent contribution to the resort, convention, and tourist industry of New Jersey.

PROGRAM CLASSIFICATIONS

15. **Tax Collection Services and Administration (NJSA 54:1-2).**
Services include general administration, tax return processing, payment and accounting records, issuance of licenses and administration of local property and public utility functions. Specific functions performed include auditing tax returns and taxpaying entities; performing office and field audits; preparing tax refunds, certificates of tax lien search and certificates of tax lien release; holding taxpayer hearings and conferences; providing revenue analysis, research, and statistics for tax administration. Provides services involving bankruptcies, judgments, bulk sales, liens, levies, seizures,

proclamations and reinstatements; investigates tax related matters having criminal and/or civil potential; renders taxpayer service to the public.

16. **Administration of State Lottery (NJSA 5:9-1).** Daily and weekly lotteries are conducted. Lottery programs are continually reviewed so that State revenues are maximized.
19. **Management of State Investments (NJSA 52:18A-79).** Activities involve investment and reinvestment of State funds, including the various State pension funds, the State Disability Benefits Fund, the General Investment Fund, and the State of New Jersey Cash Management Fund, together with the control of principal proceeds and interest receipts. Detailed reports of operations are published monthly and an annual report is presented to the Governor and Legislature. Investment functions are provided to other State agencies involving investment accounts.
25. **Administration of Casino Gambling (NJSA 5:12-1).** The Casino Control Commission is responsible for the collection of all license fees and taxes imposed by the Act. It promulgates regulations and carries on a continuous study of existing and developing methods to control the casino gaming and casino source industries, prevents the material involvement of undesirable persons in casino gaming, conducts hearings pertaining to Civil Violations of the Act or its regulations and levies and collects all penalties appropriate thereto.

TREASURY

EVALUATION DATA

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
PROGRAM DATA				
Tax Collection Services and Administration				
Taxpayer Information Services				
Telephone inquiries	2,979,660	2,686,639	2,800,000	2,900,000
Correspondence	50,475	35,000	40,000	40,000
Tax Services (High Level Technical Requests)				
Telephone inquiries	14,684	12,333	14,000	14,000
Correspondence	10,771	11,146	10,300	10,300
Enforcement				
Audits				
Average Number of Auditors	322	334	386	438
Assessment Amount	\$331,100,000	\$311,452,091	\$355,000,000	\$396,000,000
Audits completed	56,850	63,604	90,000	95,000
Average Assessment/Auditor (a)	\$1,025,000	\$932,490	\$920,000	\$904,000
Compliance				
Number of Collectors	229	244	275	275
Collections	\$156,396,178	\$158,560,222	\$170,000,000	\$173,000,000
Number of Closed Cases	233,609	302,443	300,000	300,000
Average Collection Per Collector (b)	\$682,953	\$649,837	\$618,181	\$629,090
Bankruptcy Claims	1,311	1,554	1,400	1,400
Judgments	5,066	5,764	6,200	6,500
Deferred Payment Plans	3,973	3,768	4,700	5,000
Criminal Investigations				
Prosecution Recommendations	68	58	71	73
Assessment Amount	\$3,745,899	\$9,127,552	\$5,931,000	\$6,337,000
Processing and Accounting Activity				
Returns Processed				
Individual	5,568,199	5,047,524	5,000,000	5,000,000
Homestead rebates	1,500,000	1,464,000	1,400,000	1,400,000
Business	4,100,263	4,000,826	4,100,000	4,000,000
Checks processed	5,294,703	5,107,324	5,200,000	5,100,000
SOIL Setoffs	369,791	297,900	300,000	300,000
Licenses Processed	27,420	27,061	28,000	30,000
Business Taxpayers Registered	41,131	43,786	45,000	47,000
Taxpayer Registration				
Registration File Updates	53,107	22,970	57,000	50,000
Correspondence Processed	86,482	91,031	80,000	70,000
Billings Mailed				
Individual	218,401	206,142	245,000	255,000
Business	162,659	195,200	234,000	258,000
Refunds Reviewed				
Individual	76,304	51,033	55,600	60,000
Business	2,489	4,558	4,100	4,200
Property Administration				
Real Estate Appraisals	1,637	735	735	753
Municipal Audit	84	166	166	170
Sales Ratio Study				
Sales Prescreened	142,206	133,938	135,000	140,000
Sales Investigated	18,632	17,976	18,000	18,500
Intestates/Escheated Estates	270	305	325	350
Administration of State Lottery				
Agents	5,200	5,300	5,300	6,000
Drawings	900	924	950	950
Net Sales (millions)	\$1,431	\$1,576	\$1,587	\$1,636

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Management of State Investments				
Transactions	44,544	48,208	53,000	56,000
Market value of investments as of 6/30 (millions)	\$43,800	\$48,304	\$51,000	\$53,000
Cash Management Returns	3.46%	5.27%	5.00%	5.00%
Net investment earnings, cash basis (millions)	\$1,823	\$2,485	\$2,600	\$2,700
Funds managed	126	134	136	138
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	1,562	1,531	1,656	1,652
All Other	32	34	32	32
Total Positions	1,594	1,565	1,688	1,684
Filled Positions by Program Class				
Tax Collection Services and Administration	1,389	1,355	1,469	1,469
Administration of State Lottery	146	147	150	147
Management of State Investments	59	63	69	68
Total Positions	1,594	1,565	1,688	1,684

Notes: Actual fiscal years 1994 and 1995 and Revised fiscal year 1996 position data reflect actual payroll counts. The Budget Estimate for fiscal year 1997 reflects the number of positions funded.

- (a) Calculated based on the average number of auditors throughout the entire year.
- (b) This calculation reflects impact of Telecollections (Lower Liability Collections). Outside vendor collections not included in this internal productivity measure.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended	
82,645	172	2,931	85,748	84,866	Distribution by Program				
20,582	290	283	21,155	21,053	15	89,136	78,056	78,056	
4,014	58	23	4,095	4,081	16	20,425	12,737	12,737	
107,241	520	3,237	110,998	110,000	19	4,819	4,156	4,156	
(---)	(---)	(---)	(---)	(---)	Subtotal Appropriation				
107,241	520	3,237	110,998	110,000		114,380 ^(a)	94,949	94,949	
LESS:					Savings from Consolidation of Revenue Activities				
(---)	(---)	(---)	(---)	(---)		(---)	(1,000)	(1,000)	
107,241	520	3,237	110,998	110,000	Total Appropriation				
Distribution by Object					Personal Services:				
60,551						66,204			
580 ^S	123 ^R	6,149	67,403	66,873		4,331 ^S	69,760	69,760	
61,131	123	6,149	67,403	66,873		70,535	69,760	69,760	
3,360	---	-242	3,118	3,113		2,953			
31,962	4					32 ^S	2,328	2,328	
7,982 ^S	285 ^R	-2,961	37,272	37,033		34,542			
1,960	---	-161	1,799	1,796		3,653 ^S	21,202	21,202	
226						1,659	1,659	1,659	
620 ^S	108	452	1,406	1,185		1,006 ^S	---	---	
(---)	(---)	(---)	(---)	(---)	LESS:				
(---)	(---)	(---)	(---)	(---)	Savings from Consolidation of Revenue Activities				
						(---)	(1,000)	(1,000)	

TREASURY

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supple-mental	Reapp. & (R)Recpts.	Transfers & (E)Emer-gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom-mended
OTHER RELATED APPROPRIATIONS								
<u>23,075</u>	---	---	<u>23,075</u>	<u>21,384</u>	<i>Total Casino Control Fund - Direct State Services</i>	<u>22,075</u>	<u>22,510</u>	<u>22,510</u>
130,316	520	3,237	134,073	131,384	TOTAL STATE APPROPRIATIONS	136,455	116,459	116,459
All Other Funds								
---	<u>2,493^R</u>	---	<u>2,493</u>	<u>2,484</u>	Tax Collection Services and Administration	15	<u>2,684</u>	<u>2,663</u>
---	<u>2,493</u>	---	<u>2,493</u>	<u>2,484</u>	<i>Total All Other Funds</i>		<u>2,684</u>	<u>2,663</u>
130,316	3,013	3,237	136,566	133,868	GRAND TOTAL	139,139	119,122	119,122

Notes: (a) The fiscal year 1996 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Employee Benefits and Salary and Other Benefits account.

LANGUAGE RECOMMENDATIONS

Upon certification of the Director of the Division of Taxation, the State Treasurer shall pay, upon warrants of the Director of the Division of Budget and Accounting, such claims for refund as may be necessary under the provisions of Title 54 of the Revised Statutes, as amended and supplemented.

So much of the receipts derived from the sale of confiscated equipment, materials and supplies under the "Cigarette Tax Act," P.L. 1948, c.65(C.54:40A-1 et seq.), as may be necessary for confiscation, storage, disposal and other related expenses thereof, are appropriated.

Notwithstanding any other law to the contrary, there are appropriated out of the receipts in the Solid Waste Services Tax Fund and the Resource Recovery Investment Tax Fund such sums as may be necessary for the cost of administration and collection of taxes pursuant to P.L. 1985, c. 38 (C.13:1E-136 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as are required for the acquisition of equipment essential to the modernization of processing tax returns, are appropriated from tax collections, subject to the approval of the Joint Budget Oversight Committee and the Director of the Division of Budget and Accounting.

The amount necessary to provide administrative costs incurred by the Division of Taxation to meet the statutory requirements of the "New Jersey Urban Enterprise Zone Act," P.L.1983, c.303 (C52:27H-60 et seq.) is appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated from the investment earnings of general obligation bond proceeds, such sums as may be necessary for the payment of debt service administrative costs.

Pursuant to the provisions of NJSA 40:54D-12 there are appropriated such sums as may be required to compensate the Department of the Treasury for costs incurred in administering the Tourism Improvement and Development District Act (P.L. 1992 c.165.).

In addition to the amounts appropriated hereinabove, there are appropriated such sums as may be required for costs associated with enhanced compliance programs concerning cash businesses and low liability business cases subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated, out of revenues derived from escheated property under the various escheat acts, such sums as may be necessary to administer such acts and such sums as may be required for refunds.

There are appropriated out of the State Lottery Fund such sums as may be necessary for costs required to implement the "State Lottery Law," P.L. 1970, c.13 (C.5:9-1 et seq.) and for payment for commissions, prizes and expenses of developing and implementing games pursuant to section 7 of P.L. 1970, c.13 (C. 5:9-7).

In addition to the amounts hereinabove, State Lottery Fund receipts in excess of anticipated contributions to education and State institutions, and reimbursement of administrative expenditures, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee.

Notwithstanding the provisions of any other law to the contrary, there are appropriated out of receipts derived from communications fees such sums as may be necessary for telecommunications costs required in the administration of the State Lottery.

Notwithstanding the provisions of any other law to the contrary, there are appropriated out of receipts derived from the sale of advertising by the State Lottery, such sums as may be necessary for advertising costs required in the administration of the State Lottery pursuant to P.L.1970, c.13 (C5:9-1 et seq.).

There are appropriated, out of receipts derived from service fees billed to authorities for the handling of investment transactions, such sums as may be necessary to administer the above investment activity.

There are appropriated, out of receipts derived from the investments of State funds, such sums as may be necessary for bank service charges, custodial costs, mortgage servicing fees and advertising bank balances under section 1 of P.L. 1956, c.174 (C.52:18-16.1).

Notwithstanding the provisions of any law to the contrary, the expenses of administration for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits and the Division of Investments shall be charged to the pension and health benefits funds established by law to receive employer contributions or payments or to make benefit payments under the programs, as the case may be. In addition to the amounts hereinabove, there are appropriated such sums as may be necessary for administrative costs, which shall include bank service charges, investment services, and other such costs as are related to the management of the pension and health benefit programs as the Director of the Division of Budget and Accounting shall determine. In addition, revenue resulting from such charges to the various pensions and health benefit funds, payable on a schedule to be determined by the Director of the Division of Budget and Accounting, shall be credited to the General Fund as anticipated revenue.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL
74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To centralize all press and public relations services.
2. To provide a means for State, local and county governments and school districts to effect economy by purchasing against State contracts through cooperative purchasing.
3. To provide maintenance and operation services for the preservation and protection of the buildings in the Capitol Complex.
4. To provide for centralized management of the rental and lease of real property, disposal of surplus State real property and purchase of real property, and effective management of employee housing.
5. To plan, program, design and supervise the construction of buildings and facilities for the various State agencies.
6. To administer all employee benefit programs at minimum cost.
7. To operate a central motor pool fleet at the lowest possible cost and provide State agencies with safe operating vehicles.
8. To provide printing services to State agencies.
9. To provide food service in the State House Complex cafeterias and other State owned facilities in the Trenton area.
10. To provide risk management, loss prevention and claims services, and management of the fire and casualty insurance program to all State agencies.
11. To warehouse commodities by purchasing in large volume shipments, making goods available on request at the lowest possible prices, and to coordinate on a State-wide basis the assembling, distribution, and sale of State-owned surplus personal property.
12. To provide a mail processing/delivery system at minimum cost.

PROGRAM CLASSIFICATIONS

04. **Public Information Services.** Executive Order No. 30 dated January 14, 1976, centralized all press and public relations services of the various departments of State government.
09. **Purchasing and Inventory Management (NJSA 52:18A-3).** GSA/Division of Purchase and Property, pursuant to the provisions of title 52, administers a centralized statewide

- purchasing system, including the setting of purchasing standards and specifications; makes available contracts for products and services to school districts, municipalities, and other political subdivisions through the cooperative purchasing program; contracts major lease/purchase arrangements through the Master Lease Program; maintains a centralized distribution center to permit bulk purchases for all State departments; performs testing and inspection functions; supervises the disposition of State surplus property.
12. **Construction Management Services (NJSA 52:18A).** Accomplishes all architectural and engineering design and construction supervision of new facilities, as well as the renovation and rehabilitation of existing facilities; provides technical advice and assistance to all State agencies in preliminary planning, programming, design, layout and cost estimating; administers construction and professional service contracts associated with building programs; provides for field supervision on State construction projects; insures that all building programs are completed, in accordance with the predetermined goals and objectives of the State agencies within established budgets; carries out all related contract administration services, including the processing of change orders, the inspection of construction for code compliance, pre-qualification of contractors, public advertising, awarding of bids, processing of invoices and payments to contractors; prepares and maintains central contract files and all other records, including plans and specifications.
 21. **Pensions and Benefits (NJSA 52:18A-95 et seq.).** Eligibility determinations are made for those who are required or optionally permitted to participate in the benefit programs. Certification of membership, of rates involving employer and employee contributions and the proper designation of beneficiaries for the several benefit schedules are provided.
 Monies are accounted for in individual accounts of members, and to the credit of the several systems in the general and subsidiary ledgers. A complete and proper accounting of all disbursements to eligible employers and employees and their beneficiaries is provided.
 22. **Capital City Redevelopment Corporation (NJSA 52:9Q-9 et seq.).** The Capital City Redevelopment Corporation (CCRC) was created to guide a revitalization effort in the Capital district of downtown Trenton, and to act as a central facilitator of the implementation of the Renaissance Plan.

TREASURY

26. **Property Management Services.** Disposal of surplus real property and purchase of all real property (exclusive of Department of Transportation highway and public transportation requirements and Department of Environmental Protection "Green Acres" and water supply acquisitions) is a responsibility of the Office of Property Management. In addition, Property Management Services is charged with meeting and securing all leased office, warehouse and other State space requirements. Also, Property Management Services provides, in the Trenton area, full maintenance services for 34 State-owned buildings, including the State Records Storage Center, the Richard J. Hughes Justice Complex, Mary G. Roebing, William Ashby, War Memorial, and the Environmental Protection buildings; also provides renovation and alteration services under \$32,500.
37. **Risk Management.** Operates to reduce the adverse impact of catastrophic pure loss on State operations and budgets through a combination of risk management and loss prevention techniques. Administers claims against the State and its employees under Title 59, Tort Claims Act, R.S. 34 Workers Compensation statute and various Federal statutes and laws. Risk Management also administers claims on behalf of the State against others responsible for damage to the State, its employees and property.
40. **Office of Telecommunications and Information Systems (OTIS).** Pursuant to Executive Order No.84, dated October 17, 1984, the Office of Telecommunications and Information Systems was established within the Department of the Treasury to effect the consolidation and coordination of the information processing activities of the Executive Branch.
- The Office of Telecommunications and Information Systems

has operational responsibility for the State's major data centers and for developing the Garden State Network, a statewide integrated communications network capable of carrying data and voice transmissions. The Hub houses this telecommunications network, as well as providing data processing disaster recovery.

41. **Automotive Services.** Pursuant to Executive Order No. 33, dated June 7, 1991, the State Central Motor Pool administers central fleet management and maintains and operates central facilities for the repair and storage of State-owned motor vehicles. The pool has legal ownership of the vehicles and prescribes rules for the efficient and economical operation of the fleet. Since the pool is self-supporting, rental fees based on usage are billed to the using State agencies. The revenues collected are then used to purchase replacement vehicles and also cover all costs of the pool operation.
43. **Printing Services.** The Treasury Print Shop operates as a revolving fund, with costs of labor and materials reimbursed by various agencies including the Department of the Treasury, the Office of the Chief Executive, the Legislature, Department of Law and Public Safety and Department of Banking.
44. **Capitol Post Office.** The Capital Post Office also operates as a revolving fund providing postal services to all State departments.
62. **State Cafeterias.** Provides food services on a receipt basis as dedicated funds.
63. **Travel Services.** Provides all State agencies and departments with the most timely and cost effective travel arrangements consistent with the State Travel Regulations.

EVALUATION DATA

PROGRAM DATA

Purchasing and Inventory Management

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Vendor purchases	\$793,000,000	\$801,163,306	\$840,000,000	\$880,000,000
Term Contracts	4,642	4,633	4,800	5,000

Pensions and Benefits

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Membership, All Funds				
Beginning Balance, All Funds (thousands)	398,440	401,025	402,060	404,070
Added	27,867	24,017	24,137	24,258
Removed	25,282	22,982	22,127	22,238
Ending balance	401,025	402,060	404,070	406,090

Beneficiaries, All Funds

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Beginning Balance, All Funds (thousands)	140,395	149,670	149,865	154,361
Added	13,598	12,060	12,301	12,547
Removed	4,323	11,865	7,805	7,916
Ending balance	149,670	149,865	154,361	158,992
Total Members	550,695	551,925	558,431	565,000

Loans

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Number	129,299	126,081	128,237	130,430
Loans Receivable (thousands)	\$602,071	\$657,530	\$721,639	\$791,999
Assets, all funds (thousands)	\$31,512,510	\$33,732,908	\$36,391,061	\$39,391,061
Benefit payments (thousands)	\$3,063,064	\$3,456,625	\$3,806,781	\$4,192,408
Lump sum death benefit payments (thousands)	\$81,393	\$78,247	\$80,125	\$82,048
Membership, Other Systems				
Supplemental annuity	4,329	4,282	4,196	4,112
Health benefits	311,721	316,502	302,336	302,336
Drug plan	103,431	120,161	120,455	120,455
Dental plan	77,801	81,941	82,694	84,348

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
Property Management Services				
Leased facilities	469	459	420	403
Area in square feet	7,300,000	7,100,000	6,700,000	6,400,000
State-owned space maintained (square feet)	4,961,792	4,800,000	4,800,000	4,800,000

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	868	783	717	701
All Other	1	1	1	1
Total positions	869	784	718	702

Filled Positions by Program Class

Purchasing and Inventory Management	126	116	116	110
Travel Services	3	3	3	---
Pensions and Benefits	388	350	370	370
Capital City Redevelopment Corporation	4	3	4	---
Property Management (a)	293	261	176	174
Risk Management	55	51	49	48
Total Positions	869	784	718	702

Notes: Actual fiscal years 1994 and 1995 and revised fiscal year 1996 position data reflect actual payroll counts. The Budget Estimate for fiscal year 1997 reflects the number of positions funded.

(a) Beginning in fiscal year 1996, Physical Plant Operation and Maintenance was consolidated into Property Management.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
5,064	512	888	6,464	6,373					
					Purchasing and Inventory Management	09	5,210	5,014	5,014
24,618	144	509	25,271	25,126	Pensions and Benefits	21	26,474	24,225	24,225
---	459	---	459	259	Capital City Redevelopment Corporation	22	435	---	---
12,159	499	814	13,472	13,078	Property Management Services	26	11,924	9,217	9,217
2,059	133	-92	2,100	2,090	Risk Management	37	1,843	1,783	1,783
---	141	---	141	128	Travel Services	63	153	---	---
<u>43,900</u>	<u>1,888</u>	<u>2,119</u>	<u>47,907</u>	<u>47,054</u>	Total Appropriation		46,039^(a)	40,239	40,239
Distribution by Object									
Personal Services:									
25,950	58				Salaries and Wages		28,431	27,308	27,308
<u>1,174^S</u>	<u>592^R</u>	<u>2,827</u>	<u>30,601</u>	<u>30,369</u>	Total Personal Services		<u>28,431</u>	<u>27,308</u>	<u>27,308</u>
27,124	650	2,827	30,601	30,369					
1,252	12				Materials and Supplies		1,821	1,680	1,680
837 ^S	13 ^R	-1,229	885	880			11,182		
10,408					Services Other Than Personal		1,500 ^S	9,603	9,603
70 ^S	39 ^R	558	11,075	11,043	Maintenance and Fixed Charges		2,389	1,045	1,045
1,882	431 ^R	314	2,627	2,288	Special Purpose:				
					Gubernatorial Transition- Governor	09	---	---	---
---	241	---	241	186	Gubernatorial Transition- Governor-Elect	09	---	---	---
---	34	---	34	2	State Pension System Audit	21	128	128	128
128	---	117	245	245	Pensions and Health Benefits Commission	21	---	---	---
---	120	---	120	---	Capital Marketing Program	22	75	---	---
---	---	---	---	---	Real Property Leasing Out Program	26	---	---	---
---	89 ^R	-60	29	---					

TREASURY

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S) Supplemental	Reapp. & (R) Rcpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended	
375	---	---	375	375	Maintenance of Old Barracks	26	375	375	375
---	130 ^R	-129	1	---	Third Party Subrogation For Property Damage	37	---	---	---
503	614	-72	1,045	808	Total Special Purpose	578	503	503	
519	120								
1,305 ^S	9 ^R	-279	1,674	1,666	Additions, Improvements and Equipment	138	100	100	

OTHER RELATED APPROPRIATIONS

<u>7,583</u>	<u>20,115</u>	<u>10</u>	<u>27,708</u>	<u>9,702</u>	Total Capital Construction	---	<u>1,125</u>	---
51,483	22,003	2,129	75,615	56,756	Total General Fund	46,039	41,364	40,239
All Other Funds								
---	839	6	2,898	2,113	Property Management Services	26	170	155
---	2,053 ^R							
---	398							
---	72 ^R	---	470	29	State Cafeterias	62	---	---
---	3,362	6	3,368	2,142	Total All Other Funds	170	155	155
51,483	25,365	2,135	78,983	58,898	GRAND TOTAL	46,209	41,519	40,394

Note: (a) The fiscal year 1996 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Employee Benefits and Salary and Other Benefits accounts.

LANGUAGE RECOMMENDATIONS

The Director of the Division of Budget and Accounting is empowered to transfer or credit to any central data processing center any appropriation made to any department which had been appropriated or allocated to such department for its share of costs of such data processing center including the replacement of data processing equipment and the purchase of additional data processing equipment.

There are appropriated, out of receipts derived from service fees billed to political subdivisions for the operating costs of the cooperative purchasing program, such sums as may be necessary to administer and operate the above purchasing activity.

Notwithstanding the provision of any other law to the contrary, there are appropriated from receipts derived from vendor registration fees sufficient sums for services and expenses related to the development, letting and administration of commodity or service contracts.

There are appropriated, out of receipts derived from service fees billed to authorities for the handling of insurance procurement and risk management services, such sums as may be necessary to administer the above insurance and risk management activities.

Notwithstanding the provisions of any other law to the contrary, there are appropriated, out of the receipts derived from third party subrogation, such sums as may be necessary for the administrative expenses of this program.

Notwithstanding the provisions of P.L. 1944, c.112 (C.52:27B-67), there are appropriated out of revenues derived from the sale of surplus state vehicles sufficient sums for the replacement of Central Motor Pool temporary assignment vehicles, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Capitol Post Office revolving fund any appropriation made to any department for postage costs appropriated or allocated to such departments for their share of costs of the Capitol Post Office.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Print Shop revolving fund any appropriation made to any department for printing costs appropriated or allocated to such departments for their share of costs of the Print Shop and the Office of Printing Control.

The unexpended balance in the State Purchase Fund as of June 30, 1996, and the reimbursements thereto, are appropriated for the purpose of making payments for purchases under R.S.52:25-1 et seq., and for the expenses of handling, storing and transporting purchases so made and for administration of the Distribution Center.

There are appropriated out of revenues received from the sale of surplus property sufficient sums for the administrative costs of the Distribution Center-Surplus Property Unit.

There are transferred from the savings in property rental accounts derived from warehouse space consolidation and elimination, such sums as may be required to implement and administer the warehouse space utilization

program in the Office of Property Management Services, subject to the approval of the Director of the Division of Budget and Accounting.

From the receipts derived from the sale of real property, such sums are appropriated for the costs incurred in the selling of the real property, including appraisal, survey, advertising, and other costs related to the disposal, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances in the Management of the DEP Properties account as of June 30, 1996 are appropriated for the same purpose.

Receipts derived from the leasing of State surplus real property are appropriated for the maintenance of leased property subject to the approval of the Director of the Division of Budget and Accounting, provided that a sum not to exceed \$100,000 shall be available for the administrative expenses of the program.

Receipts from employee maintenance charges in excess of \$850,000 are appropriated for maintenance of employee housing and associated relocation costs; provided, however, that a sum not to exceed \$170,000 shall be available for management of the program, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of revenues derived from the rental and operation of the War Memorial, such sums as may be necessary to operate and maintain this facility.

There are appropriated out of receipts derived from lease proceeds billed to the occupants of the James J. Howard Marine Science Laboratory, such sums as may be required to operate and maintain the facility and for the payment of interest and/or principal due from the issuance of bonds for this facility.

The unexpended balances in the State cafeteria accounts as of June 30, 1996, and receipts obtained from cafeteria operations, are appropriated for the improvement and extension of cafeteria services and facilities pursuant to section 2 of P.L.1951, c.312 (C.52:18A-19.6).

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Construction Management Services program classification, from appropriations for construction and improvements, a sufficient sum to pay for the cost of architectural work, superintendence and other expert services in connection with such work.

Notwithstanding any law to the contrary, there are appropriated out of receipts derived from the pre-qualification service fees billed to contractors, architects, engineers, and professionals sufficient sums for expenses related to the administration of pre-qualification activities undertaken by the Division of Building and Construction.

In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for independent audits of the State's pension systems, provided that such appropriations shall be reimbursed to the General Fund from the resources available to the various pension funds.

Notwithstanding the provisions of any law to the contrary, the expenses of administration for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits and the Division of Investments shall be charged to the pension and health benefits funds established by law to receive employer contributions or payments or to make benefit payments under the programs, as the case may be. In addition to the amounts hereinabove, there are appropriated such sums as may be necessary for administrative costs, which shall include bank service charges, investment services, and any other such costs as are related to the management of the pension and health benefit programs, as the Director of the Division of Budget and Accounting shall determine. In addition, revenue resulting from such charges to the various pensions and health benefit funds, payable on a schedule to be determined by the Director of the Division of Budget and Accounting, shall be credited to the General Fund as anticipated revenue.

The unexpended balance in excess of \$120,000 as of June 30, 1996 in the Pensions and Health Benefits Commission account is appropriated for the same purpose.

There are appropriated sufficient sums as may be required for the expenses of the Pensions and Health Benefits Commission, provided that such appropriation shall be reimbursed to the General fund from the resources available to the various pensions and health benefits funds.

Notwithstanding the provisions of any law to the contrary, there are appropriated from the Capital City Redevelopment Loan and Grant Fund such sums as may be required to provide for expenses, programs, and strategies which will enhance the vitality of the capital district as a place to live, visit, work and conduct business, subject to the approval of the Director of the Division of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

75. STATE SUBSIDIES AND FINANCIAL AID

PROGRAM CLASSIFICATIONS

27. **Other Distributed Taxes.** Net proceeds from taxes on premiums for fire insurance policies written by insurance companies of other states and countries are earmarked for distribution to the New Jersey Firemen's Home and the New Jersey Firemen's Association (R.S.54:17-4).

Corporation Business taxes on incorporated financial businesses are dedicated for the purpose of making payments to local taxing districts in which the financial institutions maintain places of business (C.54:10A-38). These payments were integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

The State is responsible for the collection of the Public Utilities Franchise Tax and the Public Utilities Gross Receipts Tax. These funds are distributed to municipalities on the basis of utility personal property valuations. A portion of the taxes, not allocable due to per capita and limits on initial distributions, is placed in the Municipal Purposes Tax Assistance Fund (R.S.54:30A-24, and R.S.54:30A-49).

The State provides aid to municipalities to replace telecommunications franchise taxes no longer collected and distributed due to tax code changes (P.L. 1989, c. 2). This aid was integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

The State is responsible for the collection of certain insurance taxes, and for distribution of a portion of these taxes to the municipality or county in which a domestic insurance company's principal office was situated on January 1. Amounts are determined by increasing the total amount of the franchise tax on domestic insurance companies received by the local government in the prior calendar year by the percentage rate of change of all taxes paid by all insurance companies pursuant to C.54:18A-1 et seq. for the current and the immediately preceding tax year. Payments to municipalities were integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

28. **County Boards of Taxation.** A County Board of Taxation (R.S.54:3-1) is established in each county. Each board consists of three members, except in the first-class counties of Bergen, Essex and Hudson, the second-class county of Middlesex, and the fifth-class counties of Monmouth and Ocean, where there are five members. The board hears appeals of taxpayers from local tax assessments, certifies tax duplicates to the collectors, determines local tax rates, prepares county abstracts of ratables, promulgates equalization tables, supervises the activities of assessors and does related work in the enforcement of local property tax laws.

29. **Locally Provided Services.** Payments for local services to State property, in lieu of municipal property taxes on State property, are provided pursuant to statutory formula (C.54:4-2.2a et seq.) and also as specified by annual appropriations laws. These payments were integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

State aid to densely populated municipalities (P.L. 1990, c. 85; C.52:27D-384 et seq.), which is paid from the Property Tax Relief Tax Fund, is provided to a group of municipalities with high population densities, located in the state's most densely populated counties.

30. **Railroad Property Taxes.** The Railroad Property Tax law was amended in 1966 when the State imposed tax of \$4.75 per \$100 of true value was substituted for the former local tax on Class II railroad property. Replacement tax revenue is determined and paid to each municipality in which Class II railroad property owned by the New Jersey Transit Corporation is located, by applying the 1966 general real property tax rate to the assessed value for that year, plus an amount equal to the difference between the railroad tax revenue for the year 1965 and the year 1966, for each year subsequent to 1967. The increase is reduced 10% until such time as the difference is eliminated. This program was integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

31. **Business Personal Property Tax Replacement.** For the period from October 1, 1967, until December 31, 1976, the revenues of four State taxes -- Unincorporated Business Tax, Retail Gross Receipts Tax, Business Personal Property Tax and a portion of the Corporation Business Tax on net income -- were distributed to municipalities which formerly derived revenues from the repealed local tax on personal property used in business. Effective January 1, 1977, this law was changed following the repeal of the Unincorporated Business Tax and the Retail Gross Receipts Tax. The present statute (C.54:11D-1) provides that the Legislature shall appropriate annually not less than the amount certified by the Director of the Division of Taxation on October 15, 1976, for payment to the municipalities of the State in accordance with the formula in the act. These payments were integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

33. **Homestead Exemptions.** The Homestead Property Tax Rebate Act of 1990 (P.L. 1990, c. 61) entitles certain New Jersey homeowners and tenants to annual rebates of property taxes on their principal residence. Under modifications first effective in Fiscal Year 1993, senior citizen, blind and disabled homeowners and tenants with incomes up to \$70,000 receive rebates in the amount by which their property taxes, or rents constituting property taxes, exceed 5 percent of their income, up to a maximum \$500. Qualified homeowners in this income range receive a minimum rebate of \$150, while qualified tenants in this income range receive a minimum rebate of \$65. Qualified homeowners with incomes between \$70,000 and \$100,000 receive rebates of \$100, and qualified tenants in this income range receive rebates of \$35. Homeowners and tenants who are neither senior citizens, nor blind nor disabled, are eligible for rebates only if their income does not exceed \$40,000. In these circumstances, homeowners' rebates are \$90 and tenants' rebates are \$30. These payments are made by the State directly to homeowners and tenants, upon annual application, by the end of October. Homestead rebates are paid from the Property Tax Relief Fund.

- 34. **Reimbursement of Senior/Disabled Citizens' and Veterans' Tax Exemptions.** The State provides each municipality a direct payment in reimbursement of amounts deducted from the local property tax bills of senior citizens, disabled citizens and veterans. Based on certifications made annually by county boards of taxation and confirmed by the Director of the Division of Taxation, payments for the total amount due are made to municipalities on November 1 of each year. Veterans receive a \$50 tax deduction, paid from the Property Tax Relief Fund, while disabled and senior citizens receive a \$250 deduction, paid partly from the Property Tax Relief Fund and partly from the Casino Revenue Fund.
- 35. **Consolidated Police and Firemen's Pension Fund.** The Consolidated Police and Firemen's Pension Fund was established (R.S.43:16-1 et seq.) to place 213 police and firemen's pension funds on an actuarial basis. The liabilities

of these local funds are now being shared, two-thirds by the participating municipalities and one-third by the State. The commission administering this fund consists of two police representatives, two fire representatives, the State Treasurer and four persons appointed by the Governor.

- 36. **Municipal Purposes Tax Assistance Program.** A portion of the Public Utilities Franchise Tax and Public Utilities Gross Receipts Tax collected by the State is placed in a Municipal Purposes Tax Assistance Fund. These revenues are paid to qualifying and participating municipalities based upon formulas which reflect tax rates and per capita equalized valuation. This program was integrated into the Consolidated Municipal Property Tax Relief Aid program, funded under the Department of Community Affairs, in fiscal year 1996.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
<u>175,501</u>	---	---	<u>175,501</u>	<u>175,434</u>		<u>11,637</u>	<u>11,785</u>	<u>11,785</u>
<u>175,501</u>	---	---	<u>175,501</u>	<u>175,434</u>	Total State Aid	<u>11,637</u>	<u>11,785</u>	<u>11,785</u>
<u>323,900</u>	<u>407</u>	---	<u>324,307</u>	<u>324,064</u>	Total General Fund	<u>11,637</u>	<u>11,785</u>	<u>11,785</u>
<u>152,383</u>	---	---	<u>152,383</u>	<u>152,120</u>	Total Property Tax Relief Fund - Grants-in-Aid	<u>322,000</u>	<u>322,000</u>	<u>322,000</u>
<u>476,283</u>	<u>407</u>	---	<u>476,690</u>	<u>476,184</u>	Total Property Tax Relief Fund - State Aid	<u>57,704</u>	<u>47,580</u>	<u>47,580</u>
<u>17,180</u>	---	---	<u>17,180</u>	<u>17,180</u>	Total Property Tax Relief Fund	<u>379,704</u>	<u>369,580</u>	<u>369,580</u>
<u>17,180</u>	---	---	<u>17,180</u>	<u>17,180</u>	Total Casino Revenue Fund - State Aid	<u>17,180</u>	<u>17,180</u>	<u>17,180</u>
<u>668,964</u>	<u>407</u>	---	<u>669,371</u>	<u>668,798</u>	Total Casino Revenue Fund	<u>17,180</u>	<u>17,180</u>	<u>17,180</u>
					TOTAL STATE APPROPRIATIONS	<u>408,521</u>	<u>398,545</u>	<u>398,545</u>
					All Other Funds			
	<u>788,663^R</u>	---	<u>788,663</u>	<u>788,547</u>	Other Distributed Taxes	<u>27</u>	<u>717,305</u>	<u>692,305</u>
	<u>788,663</u>	---	<u>788,663</u>	<u>788,547</u>	Total All Other Funds	<u>717,305</u>	<u>692,305</u>	<u>692,305</u>
<u>668,964</u>	<u>789,070</u>	---	<u>1,458,034</u>	<u>1,457,345</u>	GRAND TOTAL	<u>1,125,826</u>	<u>1,090,850</u>	<u>1,090,850</u>

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

76. MANAGEMENT AND ADMINISTRATION

OBJECTIVES

- 1. To develop and exercise policy control over agency program planning and management, fiscal administration and personnel management in the Department of the Treasury.
- 2. To provide fiscal, personnel and other administrative and facilitating services to all agencies of the Department.
- 3. To assist all agencies of State government in securing grants and entitlements under various Federal grant programs.
- 4. To enforce public contracts affirmative action regulations.
- 5. To manage the cash debt and unclaimed property in the State as effectively as possible.

PROGRAM CLASSIFICATIONS

- 98. **Public Contracts Affirmative Action Office (P.L. 1975, c.127).** The Office oversees the contract awarding procedures of all State, county and local units of government in the State in order to ensure that affirmative action requirements are enforced.
- 99. **Management and Administrative Services (NJSA 52:27B-8).** The Office of the State Treasurer develops and exercises general policy and administrative control over the operations of the divisions and offices of the Department. Within the Administrative Division, the Fiscal Section and Personnel Section provide fiscal, personnel and other facilitating services for the Department of Treasury. The Federal Liaison Office represents the Governor and assists State agencies in

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negotiating with federal agencies for approval of grants and entitlements, in order to maximize New Jersey's share of total federal grant funds; maintains liaison with Congress, on behalf of the Governor and New Jersey government, in

connection with proposed and pending federal legislation affecting the State and provides updated information on such matters to State agencies.

EVALUATION DATA

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	315	303	303	309
Male Minority %	6.6	6.7	6.6	6.8
Female Minority	638	617	620	625
Female Minority %	13.4	13.6	13.6	13.7
Total Minority	953	920	923	934
Total Minority %	20.0	20.3	20.2	20.5
Position Data				
Filled Positions by Funding Source				
State Supported	120	130	133	128
All Other	14	13	12	14
Total Positions	134	143	145	142
Filled Positions by Program Class				
Public Contracts Affirmative Action Office	20	20	23	21
Management and Administrative Services	106	115	114	113
Federal Liaison Activities	8	8	8	8
Total Positions	134	143	145	142

Note: Actual fiscal years 1994 and 1995 and Revised fiscal year 1996 position data reflect actual payroll counts. The Budget Estimate for fiscal year 1997 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom- mended
898	13	60	971	963				
<u>9,632</u>	<u>50</u>	<u>1,036</u>	<u>10,718</u>	<u>7,635</u>				
10,530	63	1,096	11,689	8,598				
Distribution by Program								
					98	998	920	920
					99	<u>9,845</u>	<u>4,283</u>	<u>4,283</u>
						10,843^(a)	5,203	5,203
Distribution by Object								
Personal Services:								
<u>4,397</u>	<u>10</u>	<u>889</u>	<u>5,296</u>	<u>5,127</u>		<u>4,714</u>	<u>4,610</u>	<u>4,610</u>
4,397	10	889	5,296	5,127		4,714	4,610	4,610
27	---	60	87	97		27	19	19
525	---	84	609	712		507	479	479
58	2	23	83	80		58	58	58
Special Purpose:								
---	50	---	50	---	99	---	---	---
23	---	---	23	19	99	23	23	23
<u>5,500</u>	<u>---</u>	<u>---</u>	<u>5,500</u>	<u>2,516</u>	99	<u>5,500</u>	<u>---</u>	<u>---</u>
5,523	50	---	5,573	2,535		5,523	23	23
---	1	40	41	47		14	14	14

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
<u>99,106</u>	<u>---</u>	<u>---</u>	<u>99,106</u>	<u>99,105</u>	<i>Total Debt Service</i>	<u>347,548</u>	<u>348,474</u>	<u>348,474</u>
109,636	63	1,096	110,795	107,703	<i>Total General Fund</i>	358,391	353,677	353,677
All Other Funds								
<u>---</u>	<u>1,364</u>	<u>---</u>	<u>23,940</u>	<u>23,343</u>	Management and Administrative Services	99	<u>24,032</u>	<u>24,032</u>
	24,776 ^R	-2,200	23,940	23,343			24,032	24,032
<u>---</u>	<u>26,140</u>	<u>-2,200</u>	<u>23,940</u>	<u>23,343</u>	<i>Total All Other Funds</i>	<u>24,032</u>	<u>24,032</u>	<u>24,032</u>
109,636	26,203	-1,104	134,735	131,046	GRAND TOTAL	382,423	377,709	377,709

- Notes: (a) The fiscal year 1996 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Employee Benefits and Salary and Other Benefits accounts.
 (b) Additional sums in the amount of \$445,000 are provided in the recommended amounts for State departments which receive direct services from the from the Federal Liaison Office in Washington, D.C.

LANGUAGE RECOMMENDATIONS

The unexpended balance as of June 30, 1996 in the State Revenue Forecasting Advisory Commission account is appropriated for the same purpose.

The unexpended balance in excess of \$3,000,000 in the Productivity and Efficiency Program is appropriated for the same purpose.

There is appropriated from investment earnings of State funds an amount not to exceed \$640,000 for public finance activities.

There are appropriated out of receipts derived from service fees billed to authorities for the handling of Public Finance transactions such sums as may be necessary to administer the above public finance activities.

Such sums as may be necessary for payment of expenses incurred by issuing officials appointed under the several bond acts of the State are appropriated for the purposes and from the sources defined in those acts.

An amount equivalent to the amount due to be paid in Fiscal Year 1997 to the State by the Port Authority of New York and New Jersey pursuant to the regional economic development agreement dated January 1, 1990 among the States of New York and New Jersey and the Port Authority of New York and New Jersey is appropriated to the Economic Recovery Fund established pursuant to section 3 of P.L. 1992, c.16 (C.34:1B-7.12) for the purposes of P.L.1992, c.16 (C.34:1B-7.10 et seq.).

Notwithstanding the provisions of any law to the contrary, there are appropriated from the "Drug Enforcement and Demand Reduction Fund" such sums as may be required to provide for the administrative expenses of the Governor's Council on Alcoholism and Drug Abuse and for programs and grants to other agencies, subject to the approval of the Director of the Division of Budget and Accounting.

Fees collected on behalf of the Public Contracts Affirmative Action Office program classification and the unexpended balance as of June 30, 1996 of such fees are appropriated for program costs, subject to allotment by the Director of the Division of Budget and Accounting.

201,017	15,588	13,321	229,926	215,712	Total Appropriation, Department of the Treasury	212,636	176,124	176,124
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