

Fiscal 2009

BUDGET
IN
BRIEF



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February 26, 2008



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JON S. CORZINE
Governor

**FISCAL YEAR 2009 BUDGET
OF
JON S. CORZINE
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED THIRTEENTH LEGISLATURE**

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

In accordance with the provisions of C.52:27B-20, I hereby submit my budget recommendations for fiscal year 2008 - 2009.

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

The budget detail, including information on specific line items of appropriations, will be submitted to the Legislature separately.

Respectfully submitted,

JON S. CORZINE
Governor of New Jersey

Attest:

Edward J. McBride, Jr.
Chief Counsel to the Governor

February 26, 2008

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GOVERNOR'S MESSAGE

**Budget Address of Governor Jon S. Corzine
Transmitted to the First Annual Session
of the Two Hundred and Thirteenth Legislature
Assembly Chambers, February 26, 2008
As Delivered**

Good morning everyone. It's great to be with you today.

Reverend Clergy ...Reverend Isinta...Rabbi Cooper ...thank you for joining us today.

Senate President Codey ...Speaker Roberts ...Majority Leader Sweeney ...

Majority Leader Watson Coleman and Minority Leaders Kean and DeCroce ... former Chief Justice Zazzali...Chief Justice Rabner.. It's good to see you..and Judge Carchman.

Former Governors Byrne, Bennett, and, of course, Governor Codey ...Maybe you would like to trade places with me just for a couple of hours today.

Thank you all for joining us.

Members of the legislature and fellow citizens.

Today I present a sober and responsible budget.

The time is long past for the State, its Governor, and its Legislature to end imprudent spending and borrowing that exceeds our means. This budget ... does just that.

As you know, over the past 6 weeks, I've held 13 town hall meetings in 13 counties regarding our State's fiscal challenges. It's been a great opportunity to listen as much as to talk.

I have heard firsthand the public's frustration and anger generated by too many years of overspending, borrowing, and false rhetoric.

And they're right. Whether they agree with my financial restructuring plan or not, the public is 100%

right to be angry about the state of New Jersey's fiscal affairs.

Further, the public's concerns are elevated by their high cost of living and a gathering national economic recession.

Yes, the public understands the State has a fiscal crisis ... but they want us to understand they have one of their own.

It is with this perspective that I present a sobering budget for fiscal 2009 ...a budget, I believe, that represents a "turning point" in the fiscal management of our State.... a turning point away from the patterns of overspending and tortured borrowing.

A turning point toward spending restraint and spending cuts that genuinely address our financial emergency.

That said, this budget still labors under the weight of years of unfunded commitments,court mandates, bad decisions, and declining federal dollars.

Regrettably, taxpayers live in a world where commitments and failures of the past, crowd out the resources for services our people deserve today.

Frankly, New Jersey has a government its people cannot afford.

This budget declares the time of living beyond our means ... is over.

To limit and re-set our spending within our means requires many unpleasant choices -- choices about which activities and services are most critical.

I can tell you, I'm pained by the stress and anguish brought to our people's lives by the cuts proposed.

We are positioned between a rock and a hard place.

Some may try to wish away the hard choices, suggesting old habits should prevail.

Others may deny that tough choices are being made, seeking to exploit the well-earned cynicism the public holds towards Trenton.

Still others will seek scapegoats from the past, as if that will solve anything in the present, let alone in the future.

On reflection, I hope the representatives in this room know the difference between rhetoric and wishful thinking, as opposed to real choices and real answers.

I call on each of you, Republicans and Democrats alike, to recognize that today a turning point is at hand.

We must turn away from the era of spending and borrowing beyond our means ...once and for all.

In practical terms, failing to take on the tough choices will only force New Jersey into a deeper fiscal swamp ... and weigh down our taxpayers with more unbearable financial burdens.

For me, that outcome is unacceptable. For our public, it is unacceptable.

To that purpose, today's budget is honestly balanced, sensitive to core responsibilities, and smaller by \$500 million in year-over-year spending.

Let me repeat: this budget cuts spending \$500 million below the \$33.5 billion budget I signed last year. In fact, this proposal asks for the second-largest spending cut of any budget in New Jersey history ...and only for the fourth time since 1951, the budget will be reduced compared to the budget signed in the previous year.

It also reduces the use of one time revenues by 90% and puts us on track to zero ...an outcome we will achieve next year.

This budget goes well beyond the commitment I made to freeze spending as the first element of my financial restructuring and debt reduction plan.

This is "cold turkey" therapy for our troubled spending addiction.

Keep in mind ...this budget contains no debt service relief resulting from any monetization proposal.

Keep in mind this, my budget takes the necessary and painful steps to reconcile years of mismatch between recurring expenditures and recurring revenues ... by cutting spending. That's the headline ... now let me put this budget and its spending cuts in context.

Consider ... cuts must be achieved in the face of \$8 billion in current health care costs that are compounding at a nearly double digit rate.

Consider ... we carry the weight of twenty years of growing, unfunded pension contributions and post retirement medical benefits for teachers and public employees.

Consider ... we pay more for a growing debt service burden than we invest in either higher education or we provide in direct property tax relief.

Consider ... all of our spending is aggravated by State and federal court mandates... and we must compensate for declining federal dollars for housing, environmental clean-ups, health care and public safety.

And consider ... this budget accommodates \$550 million in additional school aid that was approved on a bi-partisan basis for the historic new funding formula.

To achieve the cuts in this budget, we've changed the process.

We started earlier ... We set clear spending objectives for the departments ...

We sought the ideas and recommendations of independent groups.

Most particularly ...I want to thank the bi-partisan private sector members of the GEAR Commission.

These individuals have worked since the Fall scrubbing operational and financial practices with our departments. Many of their recommendations are included in the proposal.

I am grateful for the hundreds of suggestions, I really am, from the public and organizations like the State Chamber of Commerce that have engaged in the broader financial restructuring dialogue.

And I want to thank the bipartisan participants from the Legislature -- Senators Buono and O'Toole along with Assemblymen Greenwald and Malone for their counsel and review.

Although we may not always agree ... their partnership is truly appreciated.

And lastly ... let me emphasize two points ... they're important points.

For the second year running, my budget contains no new taxes of any kind ... while it increases property tax relief.

Now ... given these observations, let me review the overall numbers:

When we began our planning process, we were facing mandatory and inflationary spending increases of nearly \$2.2 billion beyond expenditures in the current fiscal year.

Our restructuring plan mandated flat funding ... that is, fiscal year 08's level of \$33.5 billion.

As I made the point, "flat funding" doesn't mean no cuts, "flat funding" meant cutting \$2.2 billion just to keep at last year's level.

However, in light of the ongoing economic downturn, revenues aren't even strong enough to support last year's expenditures.

As a result, we have cut another \$500 million in the budget.

The net result is a budget that spends just under \$33 billion -- an absolute reduction of \$500 million.

To achieve those spending cuts, we began by prioritizing and protecting the core responsibilities of government:

Educating our children;

Providing for public safety;

Caring for the most vulnerable;

And in New Jersey, sustaining property tax relief.

After these priorities, all spending was on the cutting table.

So ... how have we achieved our cuts?

We cut thousands of jobs.

We cut entire departments.

We cut programs ...

We cut aid, and we cut inflationary increases wherever we legally or humanely could.

In this budget ... government takes the spending hit ... not our hard-pressed taxpayers or the most vulnerable.

The cuts are detailed in the "Budget in Brief," but I'll give you an overview.

This budget significantly reduces the size ... and cost of government.

Spending is down in every department of the Executive Branch.

As best we can tell, this is the first time this has ever occurred.

In total, there are over \$350 million in savings directly attributable to a smaller State government.

Over the past two years, through attrition and an ongoing hiring freeze, we reduced the size of the State workforce by nearly 2,000 positions.

With this budget we will have eliminated a minimum of 5,000 total government jobs, including half of all political appointees.

We will eliminate these positions through targeted layoffs, program consolidations, continued attrition and an early retirement program.

To ensure these reductions are permanent, we will eliminate funding for specific positions, not just leave them vacant.

Now ... we know from past experience, early retirement actions have achieved short-term savings but at a long-term cost.

This has occurred mostly because most positions were backfilled, thereby doubling up retirement costs for the future.

To prevent that from happening, we will allow only 10 percent of the vacated positions to be backfilled ... and that will be written into law.

All of the employees who will be included in the early retirement program are currently eligible ... we are simply giving those who can, an incentive to do so.

Eliminating positions through early retirement will allow us to shrink the size of government without creating the chaos under the civil services rules that would accompany across-the-board layoffs.

The effect of these personnel reductions will create future savings as our departments are forced to re-prioritize their programs and activities.

They will not only have to do more with less ... they'll undoubtedly have to do less.

Digging deeper, we will further reduce the size of government by proposing the elimination of three Cabinet departments: the Personnel Department; the Agricultural Department; and the Commerce Commission.

The personnel and operational savings from these actions are not intended as one time sound bites.

They are permanent ... They will cut costs.

These actions will be monitored for savings by the State Comptroller and the GEAR Commission.

These proposed initiatives to cut government build on last year's historic, negotiated agreements with civilian state employees and teachers.

These agreements achieved breakthrough long-term savings and reversed years of benefit expansion authored by Governors and Legislators of both parties.

Consider, we raised the retirement age for new employees from 55 to 60.

We increased pension contributions.

We capped the defined benefit pension for new employees.

We mandated for the first time state employees share in the cost of their health care.

And ... we kept wage increases well inside the levy cap.

Now, we should work to apply these and additional reforms to all units of government and, we need to make certain the levy cap is considered by mediators and arbitrators in settlements imposed on local governments.

We should also revisit some of the unfinished business from last year's special session on property tax reform such as eliminating defined benefit pensions for part time workers.

The next broad area for savings involves painful reductions in base-budget aid and grant programs.

This includes some property tax rebates, municipal aid, higher education, hospital assistance and Medicaid.

Cuts in these areas will total almost \$1.4 billion.

These cuts are unavoidable as nearly 75 percent of all State spending is grant based or pass through aid.

In terms of property tax relief programs 90 percent, repeat, 90 percent of all homeowners who received a rebate last year... will again.

Those earning \$100,000 or less, 70 percent of all households, will receive exactly the same \$1,000-plus rebate they received last year.

Those earning between \$100,000 and \$150,000 will receive at least two-thirds of last year's rebate.

We will also expand the eligibility for the senior freeze to an income level of \$75,000 ... helping another 150,000-plus of senior households.

Unfortunately, residents earning more than \$150,000 will no longer be eligible for rebates.

In addition, renter rebates will be narrowed while increases in special assistance rental vouchers partially offset this cut.

With regard to local aid, hospitals, higher education and health care we sought to minimize, retarget and share the burdens of cuts as responsibly as possible.

For instance, while all categories of municipal aid will be reduced, communities with populations of less than 10,000 will receive less direct support.

However, these communities will receive priority consideration for \$32 million in grants to develop shared services or consolidation agreements.

With regard to hospitals, across the board reductions are proposed, although we focus charity care increasingly toward safety net hospitals.

We also create a stabilization fund as recommended by the Reinhardt Commission to assist hospitals in the most distress.

Higher education and health care -- particularly Medicaid will see the smallest reductions.

This is because we carry grave concerns about the level of potential tuition hikes and the need to maintain access to health care for our most vulnerable.

Finally, this budget is shaped and balanced by two additional steps.

The first is the elimination of all non-contracted inflationary growth for our various aid and grant programs.

This will save about \$800 million dollars.

Regrettably, many of the same institutions who will experience absolute cuts will lose inflationary increases.

Finally, we will reduce the use of accumulated surplus from the current fiscal year.

Remember the higher-than-expected surplus was created by our ongoing managerial efficiencies and revenue growth that exceeds projections.

Reducing the use of surplus will move us closer to the principle that current expenditures will be funded solely by current revenue.

As a point of comparison, in fiscal 08 we used \$1.6 billion of surplus to balance the budget in FY09 we will use only \$500 million.

Of the remaining Fiscal Year 08 surplus, \$300 million will go to pre-fund early retirement and unfunded pension liabilities.

And \$34 million will go to fund selected capital investments.

I expect this to be the last year we use any surplus to balance the budget.

So that's a quick overview of a very tough budget – I don't like it I'm sure a lot of you don't, but again it is a necessity.

Again, the details are in the "Budget in Brief."

Let me be clear, cutting spending is only the first step we must take to restore our fiscal health and put us in a position to be a sustainable partner in the success of our people.

Current-year spending cuts makes balancing the budget next year and in the future easier, but it doesn't make it easy.

The financial restructuring I put forward had four elements because it will take more than spending cuts to cure the broken finances of our State.

First, we have to get state spending under control and today I think we're doing just that.

Second, future spending must match future recurring revenue.

Third, out-of-control borrowing must end.

And fourth, we must reduce our crushing debt load and fund infrastructure investments.

Now whether or not you agree with every element of my plan, there does appear to be agreement that these reforms are priorities ...

I understand that the toll proposal is not popular, boy do I understand.

I didn't expect it to be, but as I have repeatedly said I am open to alternatives that will reduce debt and fund transportation.

But what is not acceptable and what we must reject is allowing the State to muddle through, with more of the same short-sighted fiscal patterns that created the mess in the first place.

Those days are over.

Two years ago, I started an effort to put the State on a sound fiscal footing.

This budget is the latest and most forceful step in that direction.

It will not be the last.

Even with the difficult \$2.7 billion in cuts in this budget, we project next fiscal year's budget to have a significant structural shortfall ... approximately \$1.7 billion.

The borrowing and benefits committed to over the past twenty years don't go away.

They get more expensive every year.

In fact, debt service is one of the few things that actually goes up in my proposed budget.

And it will go up in every budget in the future unless we do something different.

Some will argue that our debt burden isn't a problem ... that we should just deal with it some other day.

But that's not an option. It's not a real option.

It's clear debt service payments crowd out important priorities every year.

We should be cutting debt service, not closing parks or raising co-pays.

Fixing our fiscal problems without addressing debt reduction is a fiction ... and if we try to do that, we are misleading the public.

With these thoughts in mind, I need comprehensive action by all of you to restore the state's long term fiscal health:

First ... approve a budget that stays within the strict spending limits I have proposed.

Second ... pass legislation to limit growth in spending to certifiable recurring revenue.

Third ... put on the ballot this fall the Lance-Lesniak constitutional amendment to limit state borrowing.

And fourth ... work with me to develop a plan to pay down debt and fund vital capital investments.

I must say ... it is not enough to just reject the toll proposal.

If you don't like that alternative, give me another viable approach to significantly reduce debt and fund important, vital transportation improvements.

Many of you have begun that process. I welcome it.

When I was given the honor of serving as New Jersey's Governor, I made a commitment to be accountable and to be honest ... not just in my actions, but in the way I approached problems.

Our state has spent too much money.

And we carry far too much debt.

These twin problems are a threat to the well-being of the people we serve.

My financial restructuring plan s part of a much larger undertaking.

I knew it would be challenging and at times unpleasant ... and it has fully lived up to my expectations.

But it has been worth the effort.

To see the impact of the debate ... the intense level of public discussion and involvement ... and the alternatives that have been offered ...

We are now closer to financial stability – some might say sanity.

Now in closing ...

We often hear New Jersey is too expensive a place to live.

We hear how our business climate has become uncompetitive and our residents are fleeing for greener ... or at least cheaper pastures.

At the heart of these concerns lies New Jersey's broken finances.

Today, we can't make the investments that we all know we should make in transportation, alternative energy, mental health facilities, schools, and medical research.

Just look at the missed opportunity in stem cell research.

That research would not only save lives ...it would have potentially driven an economic boon for the medicine chest state of the world...

Unfortunately --our finances are so broken, the public wouldn't support that investment.

This must change ... and this budget is a start.

It's certainly not a budget designed to please ... I can tell from the applause lines... but it is a prudent

blueprint to meet difficult economic circumstances, correct past mistakes and it lays a foundation for a responsible future.

It doesn't spend more than we have.

It doesn't borrow to pay operating costs.

It doesn't raise taxes.

It does contain the largest increase in school aid ever;

It does preserve property tax relief for the middle class; and it does protect the most vulnerable in our society.

It meets the public's expectations that government live within its means.

Make no mistake -- this is a turning point ... not the end point.

By itself, these cuts won't solve the problem. They can't.

A long term answer requires deeper changes.

My friends ... in the next three months, let us come together let us come together in a bi-partisan demonstration of responsible governance and find the common ground to restore our state's fiscal viability.

FY 2009 Budget Executive Summary

The proposed FY 2009 Budget has been reduced by \$500 million compared to the FY 2008 Budget signed into law last June. Actual reductions, however, total \$2.7 billion in order to offset mandatory cost pressures that would have otherwise brought spending to \$35.7 billion in the next fiscal year. With all cuts and restraints combined, FY 2009 appropriations total \$32.97 billion, compared to \$33.47 billion in the FY 2008 Appropriations Act.

The FY 2009 Budget represents a turning point in the fiscal management of the State. New Jersey has historically taken a short term view to balancing the budget. With reliance on short term fixes, non-recurring revenues, one-time actions and reductions to support higher spending, budgets to date have simply failed the most fundamental test of matching recurring expenses with recurring revenues. As we approach FY 2009 and beyond, the choices we face today have been set in large part by the decisions of yesterday. This budget begins the process of unwinding the ties that bind New Jersey's ability to fund its priorities and prevent our citizenry from controlling their own fiscal destiny. However, simply cutting expenditures is not sufficient.

Changing course will be neither easy nor painless. This budget resets our spending to more closely match our revenues and thus requires many unpleasant choices about which activities, services and benefits are most critical.

The choices are unavoidable, because the revenues to sustain current levels of appropriations are simply unavailable. Below are some of the significant aspects of the FY 2009 Budget:

- Reduces the size and the cost of government by over \$350 million;
- Provides \$16.7 billion in property tax relief, an increase over the current year, including \$11.5 billion in support for preschool-12 education and funding for the new school formula;
- Reduces the reliance on non-recurring resources from \$1.8 billion to less than \$600 million;
- Protects programs that provide public safety and those programs that service and protect the needs of the most vulnerable;
- Incorporates fair and common sense apportionment of reductions.

Finally, the budget **DOES NOT RELY ON ANY NEW OR INCREASED TAXES.**

As with the current year, nearly three-quarters of the budget will continue to support State aid and grants, which reach millions of New Jerseyans through hundreds of valued programs, ranging from property tax rebates for working families to prescription assistance to our senior citizens. Hundreds of millions of dollars in budget reductions are recommended, but great care has been taken to blunt the impact on this majority portion of State spending.

Defining the Problem and How it was Solved

When the FY 2009 Budget planning process began in earnest last fall, baked in spending pressures grew the budget from the \$33.47 billion in the current FY 2008 Budget to an estimated \$35.7 billion. This growth was based on contractual, mandatory and statutory increases including over \$500 million in additional costs for the new school funding formula.

As the process moved forward, it became clear that the growth in revenues fell far short of matching the pace of spending growth. Revenues were projected to total less than \$32.5 billion.

The difference between the projected revenues of \$32.5 billion and the projected spending level of \$35.7 billion represented the \$3.2 billion structural shortfall. In keeping with the principle to not close this shortfall through new or increased taxes, we approached budget balancing through spending constraints, reductions and other actions.

We closed the \$3.2 billion structural gap with \$2.7 billion in actions that impact spending and using a \$500 million portion of the \$834 million of excess surplus that is projected by the end of the current year.

Nearly \$1.7 billion, or over 61%, of the spending actions are actual reductions to the base budget. The other \$1 billion represents reductions or limitations of growth and other actions to offset spending.

Reducing the Size and Cost of Government

The budget will reduce the size and cost of State government by over \$350 million and the number of employees by a minimum of 3,000 through a combination of an Early Retirement Incentive Program (ERI), attrition and targeted layoffs. The operating budgets of the executive departments have been decreased directly by \$193 million. For the first time in the last 35 years EVERY executive branch department will have its operating budget reduced. In addition, departments will have to realize the impact of savings of \$136 million from the Early Retirement Program and \$25 million through procurement efficiencies.

The budget calls for the elimination of three Cabinet level agencies – the Departments of Agriculture and Personnel and the Commerce Commission. The essential functions of these agencies will be consolidated into other executive branch departments or agencies. These savings result from the elimination of administrative functions, including three cabinet level positions, and efficiencies gained through consolidation.

The budget for the executive branch includes \$209 million in employee related savings through an ERI, targeted layoffs and the elimination of funding for positions that have

been vacant due to the hiring freeze that has already reduced the payroll by nearly 2,000 employees since Governor Corzine took office.

The Judiciary and the Legislature also will face reductions of \$27 million and \$1 million, respectively.

In contrast to previous early retirement programs, this initiative will provide strict controls on the back filling of employees so as to not erase ERI cost saving benefits to the State.

The combination of initiatives to reduce the number of State employees is anticipated to induce departments and agencies to further streamline and prioritize their functions and programs.

Increasing Property Tax Relief and Support for Education and the New School Funding Formula

Despite the need to reduce spending by \$2.7 billion, total recurring property tax relief will increase by \$73 million from the amount spent in the current year. This budget will provide nearly \$16.7 billion in total property tax relief which still represents more than 50% of the budget.

The core components of the property tax relief include:

- \$11.5 billion in support of preschool-12 education;
- \$2.5 billion in direct relief to taxpayers;
- \$1.8 billion in aid to municipalities; and
- \$800 million in other local aid

The \$11.5 billion in support of preschool-12 education is \$600 million above the FY 2008 appropriation, and represents over one-third of the total budget. Of this increase, approximately \$530 million is in the form of additional direct aid to school districts under the new school funding formula, which increases relief to all school districts, including boosts of 10% to 20% to a majority of the districts.

Despite fiscal pressures, this budget allocates \$2.5 billion for direct property tax relief. This funding ensures that 1.6 million homeowners will continue to receive average rebates of approximately \$1,000.

In all, 90% of homeowners will continue to receive rebates while 1.2 million homeowners, or 70%, will receive the same rebate amount that they received last year. The preservation of these benefits is achieved, and more than \$300 million in savings are realized, by reducing income eligibility limits – from \$250,000 to \$150,000 – and lowering the level of rebates for those between \$100,000 and \$150,000 from 15% of property taxes paid to 10%.

The increase in rebates provided to renters in the current budget will be rolled back to the previous level with the exception of the inflationary increase that was provided in FY 2008. A portion of the savings from this change will be redirected to vouchers for rental assistance.

This budget will also provide \$169 million in funding for the Senior Tax Freeze program, an increase of \$16 million, or more than 10%. The program will provide 158,000 residents with checks averaging \$1,069, which is \$125 more than FY 2008 average checks. The Governor is also proposing that the income limit for the program be increased to \$75,000 and that these 150,000 to 200,000 newly eligible homeowners would receive a reimbursement of two thirds of their property tax increase.

The budget will also include a reduction in the level of aid to municipalities. The budget will provide over \$1.8 billion in aid to municipalities, a decrease of approximately \$190 million, which represents less than 10% of the amount provided in the current year.

A portion of the reduction in municipal aid will be targeted to those municipalities with populations of less than 10,000. This group of towns will be given priority standing in the awarding of the \$32 million in grants from a state fund that encourages consolidation and shared services.

Reducing Reliance on Non-Recurring Resources

Continuing the trend of the first two Corzine Administration budgets, the use of non-recurring resources, excluding prior year surplus, has been decreased from \$220 million to \$69 million. This represents a 96% reduction from the \$2.7 billion average during the FY 2003 to FY 2006 period.

This budget will, however, still require the use of \$500 million of the \$834 million excess surplus that is anticipated to be available at the end of the current year. In comparison, the FY 2008 Budget relied on nearly \$1.6 billion of excess surplus to support spending.

The unused portion of the excess surplus will be deposited into a special reserve fund to support long term liabilities such as pensions, including the cost of the proposed Early Retirement Program and post retirement medical benefits, as well as funding necessary capital investment.

Fair and Common Sense Apportionment of Reductions

As was noted in the section on how the budget was balanced, nearly \$1.7 billion of the \$2.7 billion in spending actions represent actual reductions in base spending levels. The reduction in the size and cost of government discussed in the previous section is \$350 million of the \$1.7 billion. The remainder of the actual reductions in spending necessarily impact the nearly 75% of the budget that is distributed in the form of State aid and grants.

The budget attempts to spread the impact of these reductions as evenly as possible so that no one area or group of citizens is disproportionately affected.

Higher Education

The budget will provide overall support for higher education of \$2.098 billion, which represents an overall reduction of \$76 million from the \$2.174 billion spent in the current year.

State support for the senior public colleges and universities will total \$1.437 billion, a decrease of \$63 million from the current level of \$1.499 billion. Direct operating support for the state's public colleges and universities will decrease from \$901 million to \$805 million. This reduction will be offset by the State providing over \$38 million to fund negotiated salary increases.

The State support for the county colleges will total \$222 million, a decrease of \$11 million from the current level of \$233 million. Direct operating aid will be decreased by 10%, from \$163 million to \$147 million, while State support for debt service on capital projects will increase from \$35 million to \$40 million.

The State support for the private colleges and universities will also be reduced by 10% from \$20 million to \$18 million.

The budget will provide \$323 million in funding for various tuition assistance programs, a net increase of \$14 million. The Tuition Aid Grant (TAG) program will receive \$245 million in funding, a net increase of \$15 million. The program, however, will be adjusted to limit the TAG awards to incoming freshmen at the State's private colleges and universities to the level of TAG awards at Rutgers. In addition, the Outstanding Scholars program will continue to be phased out and income limits will be placed on the NJ STARS program.

Hospitals

The budget will provide \$902 million in State and federal support for hospitals' Charity Care, Hospital Relief payments, Graduate Medical Education (GME), cancer grants and other programs. This is a reduction of \$143.5 million from the current \$1.045 billion level.

The budget will provide \$608 million for the Charity Care program, a reduction of \$108 million from the current level of \$716 million. The formula to distribute these funds will be adjusted to maintain necessary support for essential hospitals and updated based on current service data. A portion of the \$608 million will not be distributed but instead will be held in a newly created Health Care Stabilization Fund to assist hospitals facing specific financial needs during the fiscal year.

In addition, the budget will reduce Hospital Relief Offset Payments from \$203 million to \$183 million and the Graduate Medical Education program will be reduced from \$60 million to \$50 million. A new \$15 million appropriation will be included to support hospitals that plan to close facilities through the use of the Hospital Asset Transformation Program.

Finally, grants for cancer facilities and research will be reduced from \$66.5 million to \$46 million. A portion of the money will be allocated to the nationally designated Cancer Institute of New Jersey in New Brunswick as well as appropriations to support debt service at specific facilities. The final portion will be available for grants to other cancer centers for research funding and will be distributed based on the determination of the Commissioner of Health and Senior Services.

Other Areas

On a much smaller scale the budget impacts other programs that the State supports such as arts, history and tourism funding and many other important programs. The budget impact on these programs is presented in a more detailed section of the Budget in Brief.

In spite of the fact that the budget decreases overall, there are some important increases in the budget not previously mentioned. These represent important commitments and include \$60.9 million for community placement costs for the Divisions of Developmental Disabilities and Mental Health Services, a \$60 million increase in support for NJ Transit, and \$41 million to annualize the Cost-of-Living increase for Community Providers. There is also \$15 million to enhance the State Rental Assistance Program.

Conclusion

The \$32.969 billion budget proposed by the Governor delivers on the first component of the four point program outlined in the State of the State address. In fact, it exceeds the goal of freezing spending by actually reducing spending by over \$500 million.

This budget also takes a step toward achieving the second component of the Governor's plan by significantly reducing the use of non-recurring revenues and moving the budget toward a balance between spending and recurring revenues. Legislation will be needed to require the Executive and Legislative branches of government to limit growth in future spending to certifiable revenues.

The third component of the Governor's plan will require that the voters be allowed to amend the New Jersey Constitution to limit future state borrowing.

Finally, there must be a continued discussion to develop realistic alternatives to pay down the State's debt and fund vital capital investments.

The ability to pay down the State's debt and reduce the annual debt service is an important component to limiting future spending increases while at the same time maintaining programs and services. Preliminary estimates reflect that even after the precedent-setting actions taken in this budget to cut spending and reduce the reliance on non-recurring actions, the State is still likely to face a structural deficit of approximately \$1.7 billion in FY 2010, even without meeting an actuarially required contribution to the State's pension fund. State revenue increases simply cannot keep pace with increases in mandatory spending. The reduction in half of the State's debt would result in a debt service savings of at least \$1 billion, which would be just over one-half of the projected deficit for FY 2010. The reduction in debt service is an action that has no impact on any State service or program. Absent a reduction in an area such as debt service, the State will continually need to reduce base spending to offset mandatory and contractual increases.



CHAPTER 1: SETTING A NEW COURSE FOR NEW JERSEY

New Jersey's Fiscal Dilemma – Historical Context

Nearly 20 years have elapsed since the State of New Jersey's Budget was considered to be "structurally sound." During that time, Administrations of both parties have balanced the State Budget through temporary solutions, many of which were politically expedient, and by deferring embedded -- and growing -- structural problems to future years. As a result, a shortfall that was fairly modest at its onset has evolved into a full-fledged financial emergency, one that now threatens to paralyze our ability to invest in our future and fund the public's priorities.

The duration of our fiscal dilemma is now matched by its depth. The annual deficit between the cost of current services and ongoing revenues has remained stubbornly high, totaling an estimated \$3.2 billion in fiscal 2009 and representing nearly 10% of the entire State Budget. If the Budget had assumed full funding of the State's pension obligation, spending in fiscal 2009 would have increased by \$780 million and the projected deficit would have totaled approximately \$4 billion. A lack of fiscal discipline, and an absence of political will, has gradually ground down our financial underpinnings.

While the root causes are well documented, a few fundamental myths persist: that the problem is temporary and sometimes prone to exaggeration; that it derived largely from mismanagement by a select few; that the Budget is replete with low-value, "discretionary" programs operated primarily by State employees; and that the simple elimination of waste, fraud and abuse could erase most of the problem. In short, while efforts to root out inefficiency are steadfast and unyielding, the perception that such efforts alone will bring the Budget into balance is unrealistic.

The plain facts bear repeating. This fiscal predicament is long-standing and growing. Shortsighted fiscal policies, as detailed in the following pages, have not been limited in time and scope, but rather were conveniently embraced on a fairly consistent basis.

As to Direct State Services, that portion of the State Budget represents only 20% of the total, down from 25% just ten years earlier.¹ And while added pressure is being brought to bear on remaining areas of waste, including the creation of the new Office of the State Comptroller, the size of the problem extends far beyond what can reasonably be associated with inefficiency. Rather, fundamental choices are necessary to limit spending to only the most essential services.

New Jersey's fiscal policies have more resembled a patchwork quilt than a long-range financial blueprint. Though the natural rate of growth in recurring revenues has been fairly strong over time at 2% to 3% annually, the rate of spending growth has been far greater at 6% to 7%. Along the way, major tax revenues were reduced without corresponding cuts to programs, thus compounding the gap. In the absence of a long-range view, new programs were added without fully accounting and budgeting for their inevitable future growth. Expensive federal mandates triggered spending increases for programs such as education and child welfare. In response, the State simply tried to maintain the status quo. A "credit card culture" pervaded considerations of debt, where fiscal control has been particularly hard to enforce. Today, New Jersey's bonded indebtedness totals \$32 billion, approximately triple the amount that existed just ten years ago, leaving State residents with one of the highest debt burdens in the country.

Finally, in a more subtle but significant way, aging infrastructure and ongoing demographic changes have exerted steady but powerful pressure to spend. The public's perception of that reality, however, has historically been fairly low. For example, much of the infrastructure work that has been accomplished was supported through State borrowing. With borrowing costs now approaching \$3 billion in State spending, this "hidden expense" is clearly crowding out important programs and services in the Budget, including those for our children, senior citizens, and highly vulnerable populations.

¹ Based on FY1998 appropriation, adjusted for cost shifts.

The public budget debate must be refocused. Realistically, the debate should no longer center on achieving balance by cutting the “trove” of well-funded, “discretionary” programs. In fact, this trove does not exist. Fundamental spending reform, particularly of the magnitude required to re-establish the State’s fiscal balance, necessitates deep cuts to critical programs that are highly valued by taxpayers and budget stakeholders across the state.

That particular task poses an immense challenge. Many of the State’s largest programs and services have survived periods of dire fiscal constraint for one simple reason: they are vitally important. That importance extends not only to those who benefit. It is also an extension of how we view ourselves and the type of society we choose to live in. This includes a basic safety net for the poor, the infirm, and the elderly through programs such as Medicaid, child welfare, long-term care for the mentally ill and the disabled, and Pharmaceutical Assistance for the Aged and Disabled (PAAD). It also includes property tax relief, education, health, public safety, environmental protection, and transportation, each of which enjoys high levels of public support. Clearly, the hard part is not merely cutting the Budget, but rather doing it in a way that is responsible and humane.

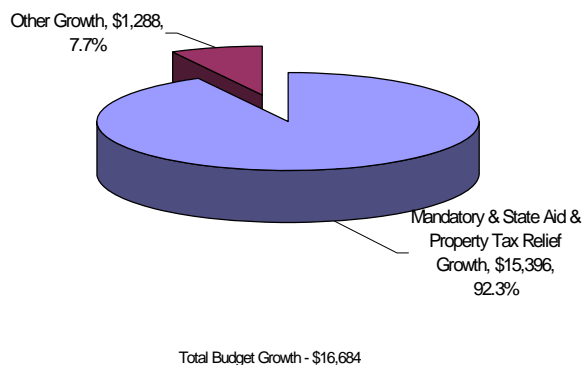
The next section outlines important details in each of these areas, providing a reference point for Governor Corzine’s proposed reforms, which are outlined later in this chapter.

Spending and Revenue Growth

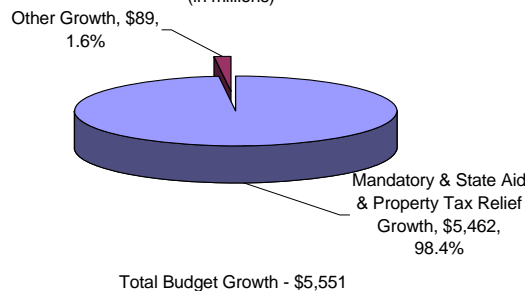
Spending growth in the State Budget is driven by three basic forces: mandatory growth required to fund the current level of services, State Aid for localities and property tax relief, and discretionary growth (i.e., “Other Growth”). Powerful cost drivers such as school enrollment growth, medical inflation, and increases in social service caseloads exert just as much influence on spending as any set of discrete policy decisions. Moreover, these factors are heavily influenced by ongoing changes in the economy, population shifts, and demographics, each of which evolves independently, outside of the State budget process.

The first set of accompanying pie charts compares the growth in State funds over the past ten years with the growth recognized during the first two years of the Corzine Administration. In each case, the lion’s share of the growth is categorized as either mandatory or as related to State Aid and property tax relief. In a key difference, however, the ten-year trend clearly exhibits a much higher rate of growth for discretionary spending (i.e., “Other Growth”) at nearly 8%, than the amount attributed to the first two years of the Corzine Administration, which was less than 2%. That is, over 98% of the budget growth funded during this Administration was either mandatory in nature or related to State Aid and property tax relief.

Components of Growth - FY 1998 to FY 2008
(in millions)



Components of Growth - Corzine Administration (FY 2006 to FY 2008)
(in millions)



98% of spending growth during this Administration was Mandatory or related to State Aid or Property Tax Relief.

As illustrated in the accompanying charts titled “Components of Mandatory Growth,” the basic components of mandatory growth are somewhat predictable. Consistently, nearly half of this growth relates to employee benefits, reflecting rising costs for

health benefits as well as statutory commitments for pension obligations. As a result of actions taken prior to the Corzine Administration, growth attributable to debt service rose significantly, from the historical benchmark of 14% to nearly 22%, largely for one reason: a massive bond refinancing implemented in fiscal 2006. This maneuver generated one year of budget relief but triggered a large annual cost spike in debt service of over a quarter billion dollars beginning in fiscal 2007, the first year of the Corzine Administration. (See “Shortsighted Fiscal Decisions” below for other, similar examples.) Conversely, the percentage of growth attributable to social service programs (including “Child Welfare”) actually declined under this Administration, from the historical rate of 28% to approximately 21%, as the federal government assumed more of the cost of drug coverage for seniors, Medicaid beneficiaries, and the disabled through the Medicare Part D program.

increases). In recent years, annual spending growth has ranged from \$1.6 billion to \$2.8 billion, or approximately 6% to 7% of total spending, while “normal” growth in major taxes (i.e., Income, Sales, and Corporate Business Tax) has hovered around 2% to 3%, or between \$500 million and \$700 million annually. The resulting gap is a key component of the annual State Budget deficit.

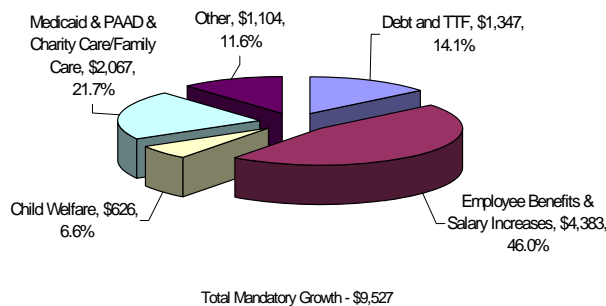
Shortsighted Fiscal Decisions

In a practice that spanned multiple budgets crafted under both political parties, increased spending has been consistently supported through a series of one-time revenues. Future costs were simply viewed as someone else’s problem. Benefits were liberally expanded, despite the lack of an identified source of funding for the cost growth that was likely to follow. Budget flexibility was gradually hamstrung by the dedication of base revenues for specific program interests, as fiscal integrity gave way to narrow, special interests. This collective shortsightedness is illustrated in the examples listed below, all of which are prime factors in our current fiscal dilemma.

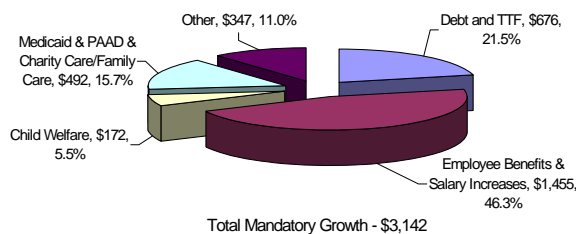
Reliance on Non-Recurring Revenues

The accompanying chart depicts the historical use of non-recurring revenue, including diversions of dedicated and trust fund revenues and securitization of future revenue streams to fund current operating costs. As one point of reference, non-recurring revenues accounted for 12% to 14% of total appropriations in fiscal 2003 and 2004. This shortsighted approach has been virtually eliminated during the Corzine Administration, however. As illustrated in the chart, the use of dedicated funds to balance the State Budget has decreased by 96% when compared to the period of fiscal 2003 to 2006. Because revenue diversions in those prior periods simply masked the imbalance between spending and ongoing revenues, it merely postponed the day of reckoning we now face.

Components of Mandatory Growth - FY 1998 to FY 2008
(in millions)



Components of Mandatory Growth - Corzine Administration (FY 2006 to FY 2008)
(in millions)

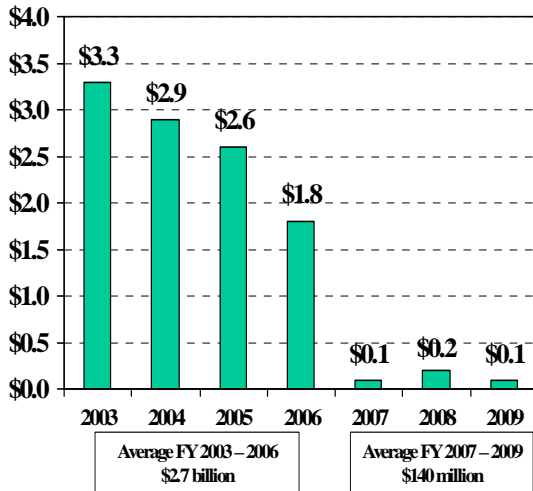


Growth in mandatory spending is concentrated in four areas: health-related, child welfare, debt and employee benefits.

Most important is the relationship between average annual spending growth and “normal” revenue growth (i.e., the amount attributable to an ongoing expansion of the State economy, absent tax

Diversions from Dedicated Funds Down by 96% Compared to FY 2003 – FY 2006

(In Billions)



Embedded in the chart is over \$5 billion of debt that was securitized by dedicated revenues to pay for operating costs from fiscal 2003 through fiscal 2005. This activity included securitizations related to the Tobacco Settlement in fiscal 2003 (\$1.6 billion) and fiscal 2004 (\$1.6 billion), as well as two other deals anchored by a dedication of cigarette tax revenue and a surcharge on unsafe driver violations in fiscal 2005 (\$1.9 billion). In each case, the resulting revenue was used to temporarily plug a hole in the State Budget that immediately reappeared in the following year. The debt service on these issuances totals approximately \$11.7 billion, and the cost of that liability will not be fully paid until 2043. Essentially, the State will pay nearly 40 years of debt service for 1 year’s worth of operating costs.

Unfortunately, the use of non-recurring revenues for ongoing costs is a longstanding practice, one that actually dates back much earlier than fiscal 2003. At best, it may be described as imprudent. At worst, it is disingenuous.

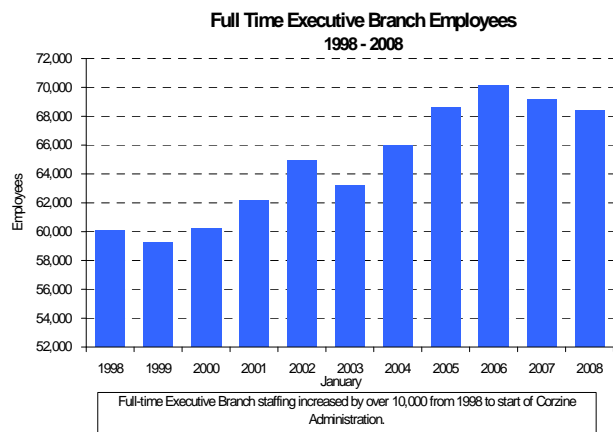
Dedication of General Fund Resources

In an effort to ensure resources for narrow programmatic interests, a variety of funding

dedications have been added to the State Budget over time. Dedications are authorized by the State Constitution (e.g., Open Space, Transportation Trust Fund) or statute (e.g., program fees). While the dedication of new resources is essentially budget neutral, the commitment of *existing* General Fund revenues sharply limits flexibility in handling cost growth, forcing program cuts in unrelated areas to make up the difference.

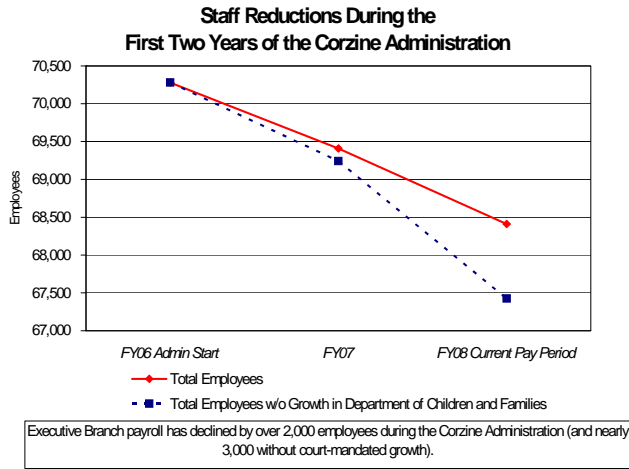
Rapid Growth in State Workforce

As shown on the accompanying chart entitled “Full Time Executive Branch Employees,” the total number of Executive Branch employees grew by over 10,000 staff (i.e., nearly 17%) from fiscal 1998 (60,051) through fiscal 2006 (70,126, just prior to this Administration). This increase was concentrated primarily in the Departments of Human Services, Corrections, and Law and Public Safety and the Motor Vehicle Commission. Based on the average salary and fringe benefit rate that existed in fiscal 2006 (i.e., \$54,000 and 32.8%, respectively), these additional employees cost approximately \$720 million annually as of that fiscal year. While a portion of these new staff was added in response to federal or court mandates (e.g., child welfare, accreditation of Human Services institutions) or emergent circumstances (e.g., security concerns following September 11th), others were based on policy decisions, including the need to expand or improve service.



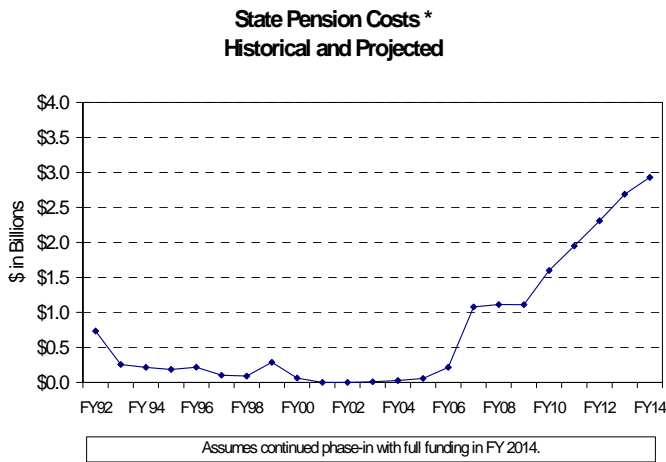
Conversely, since the start of this Administration, the full-time payroll has declined by nearly 2,000 employees. This number increases to almost 3,000 if

court-mandated growth related to child welfare is set aside. This decrease is illustrated in the accompanying chart, “Staff Reductions During the First Two Years of the Corzine Administration.”



Pension Contributions

Unfortunately, the history of policy decisions affecting the State pension system is symptomatic of the State’s general fiscal malaise, as it exhibits many of the same imprudent financial practices that plague the State Budget. The accompanying chart, “State Pension Costs – Historical and Projected,” depicts the roller coaster ride of State pension appropriations that has depleted system reserves and left us with a strong case of fiscal whiplash.



The seeds of this problem were sown in the mid-1990s, when New Jersey sold pension bonds and re-valued its pension investments (from their original “book” value to their current market value). These tactics enabled the State to avoid making its normal appropriations into the system, thus relinquishing those resources to support other programs. The pension funds were invested in the stock market and, initially, produced a sizeable balance. That balance provided a convenient rationalization for two things: 1) the elimination of State and local government contributions (i.e., pension “holidays”) totaling an estimated \$8 billion over seven years; and 2) an expansion of benefits through changes in the calculation of pension benefit payments. From fiscal 1997 through 2005, no appropriations were made to the Public Employees’ Retirement System (PERS), the State’s largest system. Similarly, from fiscal 2000 through 2005, no appropriations were provided to the next largest system, the Teachers’ Pension and Annuity Fund (TPAF).

Beginning in fiscal 2000, however, the value of the State’s pension investments declined precipitously due to the stock market crash, resulting in an asset loss of approximately \$20 billion (24%) by the end of fiscal 2002. Income tax receipts over this same period also were adversely affected. However, instead of instituting deep program cuts to re-align budget expenses with available revenues, the State shorted the pension system by substituting excess pension assets in place of the normal cash appropriation. The Benefit Enhancement Fund, which was originally created to support some of the aforementioned benefit expansions, was also tapped for this purpose.

This combination of asset losses and increased benefits triggered a rapid and steady increase in the system’s unfunded liability (i.e., degree to which the actuarially-determined obligations exceed the value of pension assets). From fiscal 2004 to the present, the unfunded liability more than doubled, from \$12 billion to approximately \$25 billion, of which \$16.6 billion represents the State’s liability.

Today, the assets in the pension system have been depleted-- including the Benefit Enhancement Fund, which has been completely exhausted-- yet the long-term obligation remains and in fact is growing. The growth of these obligations has been curbed to some

degree by the Corzine Administration’s policy to resume cash contributions. The first two Corzine Administration budgets allocated approximately \$2.2 billion in cash contributions to the five defined-benefit pension systems, which is greater than the amount of cash contributed to those systems over the previous 15 years combined. To continue to address this obligation, our current pension appropriation of \$1.1 billion is expected to nearly triple to \$3 billion by fiscal 2014, a level that is likely to squeeze considerable flexibility out of the State Budget.

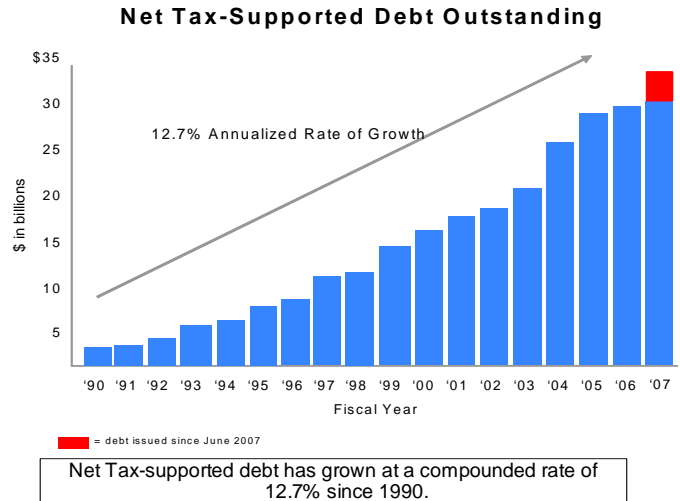
State Debt – The “Credit Card Culture”

In recent years, the State has used debt both to balance its annual budgets and as a convenient response to unrelenting spending pressures. Each tactic is problematic, representing prime examples of the “credit card culture” that characterized our past view of debt obligations.

Clearly, the issuance of long-term debt to balance an annual operating budget is an imprudent strategy, just as it would be for an individual family. While debt proceeds provide short-term relief, the bonds must be repaid, with interest, thus dramatically escalating the ultimate cost of current services. The mere fact that this particular debt was supported by a dedicated funding source is a weak rationale.

While the capital needs of our State are vast and growing, some degree of restraint is also needed in choosing what problems to address with debt, how much to invest, and how to efficiently control that spending. The State simply does not have the resources to be “all things to all people.” Decisions on school construction, transportation, open space, and other worthy programs must be subjected to rigorous analysis, and a sense of fiscal discipline, to ensure the most effective use of limited funds.

In the early 1990s, New Jersey’s debt service was manageable--as a percentage of State Personal Income, it was consistent with the average for all states. Every year since then, however, New Jersey’s debt level has exceeded this average. The accompanying chart, “Net Tax-Supported Debt Outstanding,” shows that the level of outstanding State debt has increased by almost 13% per year since 1990.



This increase is due primarily to the State’s issuance of “contract debt,” namely that which has not been approved by the public but rather is issued by independent authorities. In contrast, the amount of “general obligation” debt, which is approved by the voters and carries the full faith and credit of the State of New Jersey, remains at the same level as it was in 1990, at \$3 billion.

The result of this increase is that, by fiscal 2008, New Jersey residents faced the third highest total debt burden in the nation. To pay off this debt, each and every resident of the State—every man, woman, and child—would owe \$3,700. In contrast, the median debt burden per capita in the U.S. is under \$800.

What are the true impacts of the State’s credit card culture? Not only does this reliance place an ever-growing burden on State residents and businesses, but debt payments essentially “crowd out” appropriations needed for education, health care, property tax relief, and other key programs. Debt service, which solely represents past obligations, will cost the State \$2.6 billion in the current fiscal year. This amount, which the State is required to pay to satisfy the holders of its bonds, represents approximately 8% of the total State Budget.

Even this troubling level of debt masks the absolute level of the State’s long-term obligations. It excludes the full cost of the State’s legal and ethical obligation to pay pension and medical benefits for State and local retired employees. Adding the total amount of costs for these obligations to the State debt, as

illustrated in the accompanying chart, reveals that the State actually faces a long-term obligation estimated at \$115 billion. (This amount includes a local share of \$8 billion in unfunded pension liabilities.)

Long Term Obligations	
Debt	\$32 billion
Unfunded Pension Liability ¹	\$25 billion
Post Retirement Medical Liability	\$58 billion
Total	\$115 billion

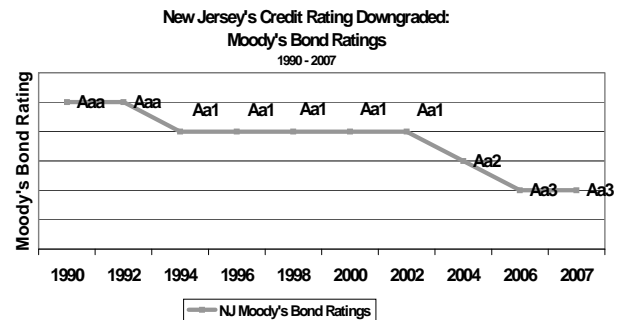
¹ Excludes "current" pension obligation

Due to its structural imbalance, the State currently is not fully funding its annually required contributions, which is the amount needed just to keep pace with its obligations and not fall further behind. As illustrated in the accompanying chart, the State appropriated \$4.8 billion for these obligations in fiscal 2008, representing 14% of the total Budget. Nevertheless, this amount represents less than half of its estimated annually required contribution of \$9.8 billion. Fully funding this year's contributions to meet long-term obligations would require 29% of the entire State budget, a staggering sum which would trigger massive cuts in all other spending. Instead, the failure to provide these required contributions adds an additional \$5 billion to the State's long-term obligations, further exacerbating the structural imbalance in future years. This ever-growing cycle requires drastic measures to right the fiscal ship and to keep New Jersey from sinking more deeply into debt.

Shortfall in Contributions to Long-Term Debt			
Annually Required Contribution FY2008		Amount Budgeted in FY 2008	Contribution Shortfall
Debt Service	\$2.6 billion -	\$2.6 billion =	\$0 billion
Pension Contribution	\$2.3 billion -	\$1.1 billion =	\$1.2 billion
Post Retirement Medical Liability	\$4.9 billion -	\$1.1 billion =	\$3.8 billion
Total	\$9.8 billion -	\$4.8 billion =	\$5.0 billion
Shortfall in FY2008 contributions adds \$5 billion to long-term debt obligation.			

New Jersey's Lower Credit Rating Imposes Additional Costs

As recently as 1992, New Jersey had the highest possible credit rating, with Moody's Investors Service rating the State's bonds as Aaa. Since then, Moody's has downgraded New Jersey's credit ratings on three separate occasions, as seen on the accompanying chart, "New Jersey's Credit Rating Downgraded." The State's current rating is Aa3.



Moody's has downgraded NJ's credit rating three times since 1992, the last time NJ had the highest rating of Aaa.

These downgrades are further validation of the State's deteriorating fiscal situation. Moreover, they represent additional costs for the State. As of September 2007, New Jersey's relative income-tax-adjusted interest rates were higher on its bonds than 32 other states, all of which had higher credit ratings

from Moody's. Paying more debt-related interest simply means that the State has fewer funds available to pay for current services. To create a more proper balance, and to chart a new direction for the future, it is critical that the State devise a plan for fiscal discipline in decisions involving long-term debt.

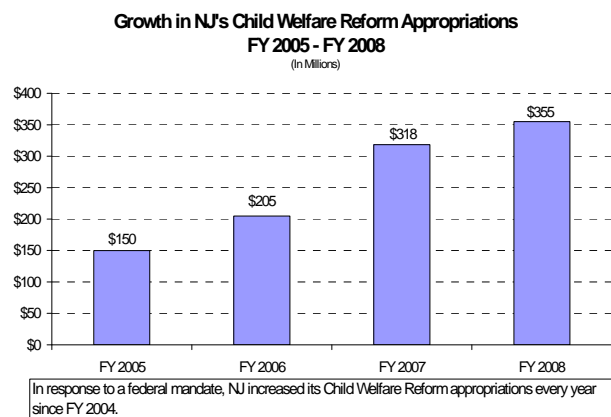
Federal Mandates

Some of the State's most significant spending demands are triggered by mandates imposed by federal courts and by the federal government. Implementation is costly and the State is often given little discretion. To the extent that other, less costly program alternatives could have been chosen instead, these mandates limit the State's ability to address other pressing needs.

Two prime examples of federal mandates in the area of public education are the *No Child Left Behind (NCLB)* Act and the additional services to special education children required under the *Individuals with Disabilities Education Act (IDEA)*. The NCLB of 2001 changed the federal government's role in K-12 education by focusing on school success as measured by student achievement. As a condition of receipt of federal Title 1 funding, all public schools must administer annual tests in reading and math, and administer the science test once every 3 years, to each student in grades 3 through 8. Schools must administer these tests once more to students sometime between Grades 10 and 12. The federal resources that were provided for the increased testing did not cover the additional cost, however. The fiscal 2008 and 2009 State support for testing totals \$20.7 million, an increase of \$6 million from fiscal 2003 expenditures of \$14.7 million. It is important to note that NCLB is up for reauthorization in the U.S. Congress; changes from that process could further increase State costs.

As a second example, at the time the federal government enacted IDEA in 1975, it committed to funding 40% of the cost of educating a special education child. Unfortunately, the federal government has never come close to fulfilling this obligation. Federal Funds Information Services estimates that New Jersey would have received more than \$500 million in additional federal funding in fiscal 2007 if the federal government had fully funded its commitment.

This pattern repeats itself across several other programs. For example, since fiscal 2004, the State of New Jersey's child welfare agency has been under a federal court order. The Modified Settlement Agreement is a direct result of a federal lawsuit with plaintiff's counsel, Children's Rights, Inc. This settlement agreement mandates the Department of Children and Families to meet specific requirements agreed to by both parties. If the provisions are not met, the plaintiff can request a court intervention. As a result, the State has provided the Department of Children and Families with approximately \$355 million more in fiscal 2008 than in fiscal 2004, in order to accomplish the provisions. The yearly increase in appropriations since fiscal 2004 is illustrated in the accompanying chart, "Growth in NJ's Child Welfare Reform Appropriations."



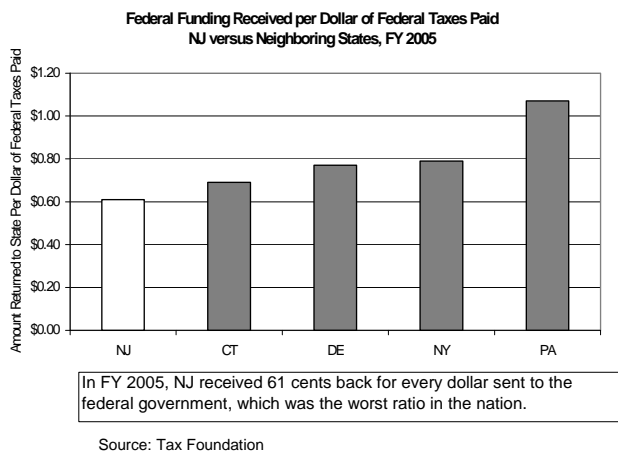
Note: In FY 2007, a shift of \$31.8 m from the Department of Human Services is included.

The State also must respond to a federal court mandate when deciding how to provide services for its developmentally disabled and mental health clients. The U.S. Supreme Court ruled in its *Olmstead* decision that every state must ensure that such residents are served in the most appropriate setting possible. If capable, these residents must be allowed to transfer from developmental centers and mental health hospitals to community residential programs or their own homes. As a direct response to the *Olmstead* mandate, the State provided the Divisions of Developmental Disabilities and Mental Health Services with an additional \$20.5 million in fiscal 2007 and \$48.4 million in fiscal 2008.

Lack of Federal Support

A related constraint for New Jersey, despite the efforts of the entire Congressional delegation, is the paucity of federal aid received in comparison to most other states. New Jersey taxpayers pay much more in federal taxes than they receive back in federal benefits. According to the Tax Foundation, New Jersey has never been higher than 48th in the nation since 1981, and typically has ranked last among the states.

For the most recent year analyzed, fiscal 2005, the Tax Foundation found that New Jersey residents received only 61 cents in federal benefits for every dollar that they paid in federal taxes, the lowest ratio in the nation. The accompanying chart, “Federal Funding Received per Dollar of Federal Taxes Paid,” illustrates how much less New Jersey receives than even its neighboring states. As a result, the burden falls more heavily on the State to make up the difference.



Moreover, the federal government actually has reduced funding in recent years for a wide variety of programs across all states, including New Jersey. In just one example, the federal Department of Health and Human Services issued a series of new regulations in the past year altering the Medicaid program. The national Center on Budget and Policy Priorities (CBPP) estimates that these regulations, if not modified, would reduce federal Medicaid funds for all states by \$15 billion over the next five years. Because these are changes in regulation, they do not

require the approval of the U.S. Congress. Other proposed changes, such as those affecting the federal State Children’s Health Insurance Program (SCHIP), would adversely impact states like New Jersey which, due to the higher costs of living in the Northeast, provide coverage to children and families at higher levels of income.

Finally, the President’s proposed Fiscal 2009 Federal Budget recommends additional decreases in funding. In a report dated February 4, 2008, the CBPP estimates that, if the President’s proposed budget were to be enacted, New Jersey would suffer cuts in federal funding of over \$540 million, after adjusting for inflation. This ongoing pattern of reduced federal aid adds to the uncertainty and fiscal stress that the State experiences as it struggles to maintain key services while complying with mandated requirements.

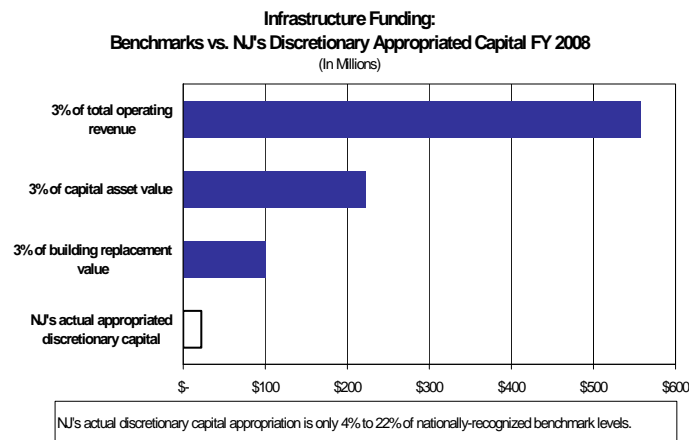
The Impact of Aging Infrastructure

Families in New Jersey understand very well the temptation to cut spending on home maintenance projects during difficult financial times. However, they also realize that continuing to do so year after year converts small problems into major and costly emergency repairs. The very same dynamic holds true for State government, but the scale is greater and the stakes are higher.

What should the State be setting aside for infrastructure maintenance? There are a number of different nationally-recognized standards which are typically based on 3% of either total operating revenue, or the value of land, buildings and equipment, or the value of buildings only. These standards would require annual appropriations ranging from \$100 million to \$558 million.

In reality, the State spends far less than any of these recommended amounts. Though the State presently appropriates \$1.2 billion in capital each year, 98% of this amount is dedicated to specific needs, including \$895 million for the Transportation Trust Fund. Excluding those amounts, as well as capital appropriated to interdepartmental accounts, only \$22

million was provided in fiscal 2008 for the remaining State departments. The following chart, “Infrastructure Funding,” illustrates the gap that exists between State capital funding and the national standards.



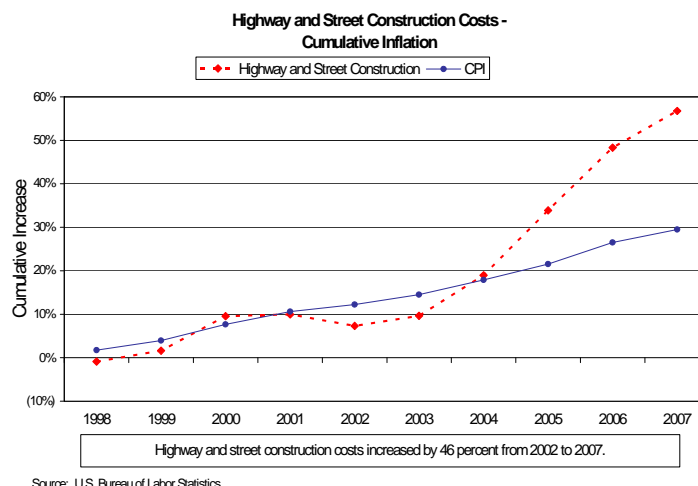
The aforementioned \$22 million in discretionary capital also pales when compared to the departments’ annual capital request, which in fiscal 2009 totaled \$863 million. Those requests reflect an assortment of needs ranging from various institutions for the developmentally disabled, mentally ill, veterans, and juveniles, to correctional facilities, environmental infrastructure, information technology, and other assets.

For example, while the State estimates that \$60 million is needed to repair and replace aging roofs, only \$8.3 million is recommended for fiscal 2009. Similarly, the Department of Corrections requested \$87 million for its facilities, but only \$13.9 million was recommended. Consistently under-funding means that the backlog of maintenance needs continues to grow. Equally important, this situation increases pressure on agency operating budgets, which are already stretched thin.

Generally, State facilities are far older than those of states in other regions of the country. A 2008 analysis using data from the State’s Land and Buildings Asset Management (LBAM) system found that the average State-owned building of 1,000 or more square feet is 49 years old. Certain key buildings are even older—the average Human

Services facility is 57 years old and the average Education and Juvenile Justice facilities are 58 years old. Three of the State’s corrections facilities were first opened in the late 1800s. While this need is rarely discussed in budget debates, the cost of maintaining buildings which date back to the Eisenhower administration (or earlier) is a significant cost driver.

Moreover, the rate of inflation for infrastructure maintenance has been rising faster than the Consumer Price Index (CPI). For example, while the CPI increased at an annualized rate of 2.9% from 2002 to 2007, inflationary costs for highway and street construction rose at an annualized rate of 7.9% over the same period. The accompanying chart, “Highway and Street Construction Costs—Cumulative Inflation,” illustrates this increased inflationary pressure that the State faces with regard to roadways.



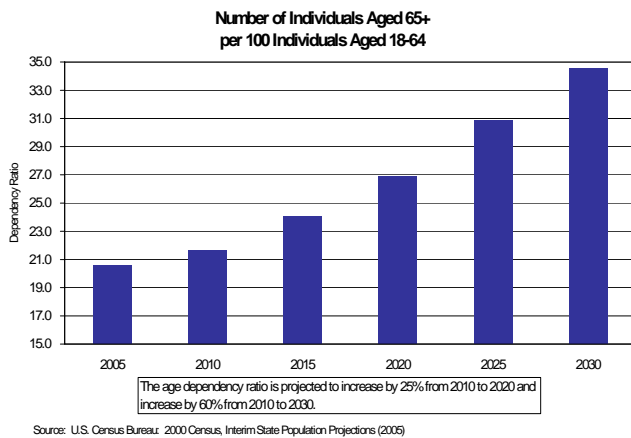
Going forward, the State will need to identify a fiscally prudent solution to this problem, one that provides an adequate stream of capital funding for all departments while providing relief to agency operating budgets.

Demographic-Related Cost Growth

Changing demographics exert constant but subtle pressures on the State Budget by increasing the demand for services at a rate that outpaces the growth

in revenue. Trends in age distribution and immigration each contribute to this structural imbalance, along with population density and development characteristics unique to New Jersey.

With the Baby Boom generation beginning to retire and life expectancies continuing to grow, seniors will comprise an increasingly larger share of the population. For example, the New Jersey population aged 85 and older grew by 33% from 2000 to 2007 compared to 5.3% for the general population, and its rate of growth is expected to rise in the coming years. Projected growth for those aged 65-84 is more modest but also is increasing at a rate that outpaces the general population. The resulting increase in the ratio of elderly to the working-age population is illustrated in the accompanying chart.

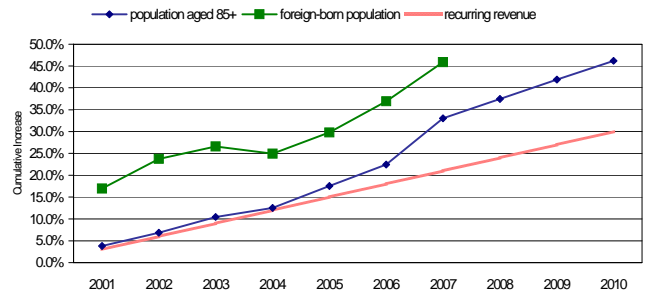


This increase will have a two-fold impact on the State Budget: 1) it will decrease tax revenue, as a greater share of the population will pass its peak earning and spending years; and 2) it will increase demand for State services, as a greater share of the population will require services such as health and prescription drug benefits.

Immigration is also a factor, as the percent of foreign-born residents increased by almost 46% from 2000 to 2007. This increase was driven by authorized immigration, as the share of total immigrants arriving without authorization declined from 2000 to 2006. Newly-arrived immigrant populations traditionally require higher levels of government assistance over their first few years, as they make the transition towards becoming citizens.

The accompanying chart displays growth rates for these key demographics compared with projected growth in recurring State revenue. As illustrated, the disparity in growth between cost drivers and recurring revenue is likely to pose budget challenges for years to come.

Growth in Key Demographics vs. Recurring Revenue

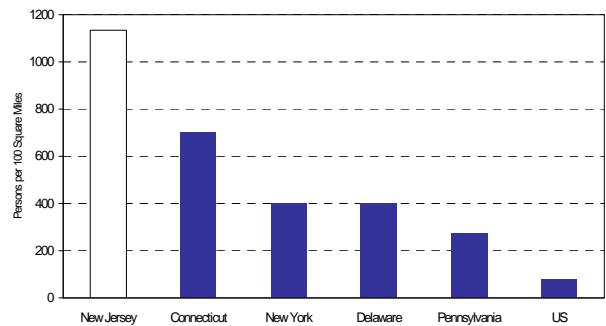


Assuming projected growth in recurring revenue of 3%, growth in key demographic cost drivers will far outpace revenue.

Sources: U.S. Census Bureau, 2000 Census, Interim State Population Projections (2005), American Community Survey, NJ School Boards Association

Population density and development patterns also play a role in State expenditures by increasing the use of highway and mass transit systems, increasing demand for social services, and triggering spikes in school enrollment. New Jersey is the most densely populated state in the country in terms of persons per square mile (as shown in the accompanying chart) and in housing units per square mile, with both measures far exceeding the national average and that of neighboring states.

Population Density, NJ vs. Neighboring States (Persons per 100 Square Miles)



Source: U.S. Census Bureau, Census 2000 Summary file 1.

While overall growth in school enrollment has been flat in recent years, increasing suburbanization and development has spawned pockets of high growth,

with 52 school districts realizing enrollment increases of 25% or more from 2000 to 2007. This growth, combined with rising special education enrollment, leads to increased school expenditures even when total enrollment stabilizes.

Where We Are Headed Without Fiscal Reform

As noted earlier, spending has grown at an annual clip of 6% to 7%. In contrast, base revenues (without any tax increases or any non-recurring enhancements) tend to grow at an annual pace of 2% to 3%. As noted in the accompanying chart, this set of circumstances is projected to trigger a deficit of \$1.7 billion, assuming that the State's Pension contribution is set at 65%. If that contribution were fully funded, an additional \$800 million in spending would be required and the deficit would grow to \$2.5 billion. Beyond fiscal 2010, the structural gap will continue so long as mandatory spending growth exceeds the increase in base revenues, thus requiring additional reductions to the base budget or tax increases.

Projected Shortfall Continues Into FY 2010

(In Millions)

	FY2009	FY2010	DIFF	
			\$	%
OPENING FUND BALANCE	\$ 1,434	\$ 600	\$ (834)	(58.2)
REVENUES				
Income	\$ 12,866	\$ 13,638	\$ 772	6.0
Sales	8,710	8,971	261	3.0
Corporate	2,460	2,460	-	-
Other	8,433	8,433	-	-
Total Revenues	\$ 32,469	\$ 33,502	\$ 1,033	3.2
TOTAL RESOURCES	\$ 33,903	\$ 34,102	\$ 199	0.6
RECOMMENDATIONS/PROJECTIONS	\$ 32,969	\$ 35,179	\$ 2,210	6.7
FUND BALANCE		\$ (1,077)		
Long Term Obligation and Capital Expenditure Fund	\$ 334			
Required Ending	600	\$ 600		
Fund Balance with Required Ending		\$ (1,677)		

Governor's Plan to Restore Fiscal Balance

In his January 2008 State of the State address, the Governor outlined four elements required for the "transformational change" that is necessary to rebuild New Jersey's financial foundation. His financial

restructuring proposals are designed to ensure that government officials cannot return to the ways of the past, when gimmicks, unfunded liabilities, and irresponsible borrowing became accepted budgeting practices.

The four tenets for financial restructuring and stability include:

Spending Freeze

The Governor's first objective, to freeze spending at its current level, was meant to provide a "timeout" so that the base budget could be re-set to match recurring revenues. In fact, the Fiscal 2009 Budget actually reduces spending *below* the amount originally budgeted for the current year by \$502 million, or nearly 2%.

Legislation: Recurring Spending and Revenue

Next, the Governor proposed that legislation be enacted to prohibit future spending levels from exceeding certified, recurring revenues. Given the depth of our fiscal problem, several years of sharp restrictions on spending are required before true fiscal balance is achieved. This legislative restriction will permanently instill a sense of fiscal discipline, thus avoiding potential backsliding. Instead, the use of one-time revenue (including any previous year's surplus) will be limited to debt relief, supplemental payments for pension and healthcare, and capital projects.

Voter Approval of New Debt

The third aspect of this plan is to amend the State Constitution to end easy access to borrowing without voter approval. Doing so will eliminate ongoing attempts to circumvent the voters, as evidenced by approximately \$24 billion in contract debt issued without public authorization over the past decade. Specifically, the amendment would require that all debt which does not have a dedicated source of revenue be approved by the voters.

Financial Restructuring/Debt Reduction Plan

Finally, the Governor proposes to capture the value of our toll roads to pay down 50% of State debt and fund transportation improvements. By creating a non-political Public Benefit Corporation to manage the operation of the New Jersey Turnpike, the Garden State Parkway, and the Atlantic City Expressway, funds can be raised to pay down existing debt, immediately eliminating approximately one-third of the State's structural deficit. In addition, a permanent source of funding for the Transportation Trust Fund will support maintenance, repairs and upgrades to our vital transportation network for decades to come. Nonetheless, the Governor is open to an alternative solution that achieves these same goals, assuming it is viable.

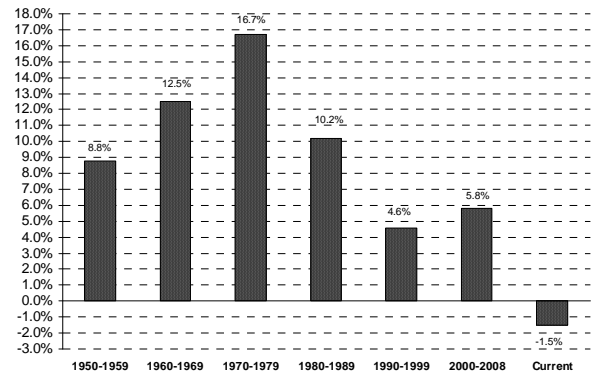
Fiscal 2009 Governor's Budget – Implementing the Plan

The structural deficit of \$3.2 billion that the State faced for fiscal 2009 simply represents the difference between a projected spending level of \$35.7 billion and the \$32.5 billion in estimated revenue. As noted earlier, the projected deficit would have totaled approximately \$4 billion if the Budget had assumed full funding of the State's pension obligation, which would have increased spending by \$780 million.

Given that the Fiscal 2008 Appropriations Act totaled \$33.5 billion, the Governor's commitment to keep spending flat required at least \$2.2 billion in budget cuts and growth constraints. In actuality, the Fiscal 2009 Budget is *lower* than the final Fiscal 2008 Budget by \$502 million, and that cut is *in addition to* the aforementioned \$2.2 billion in cuts required to achieve a flat Budget.

To provide some historical context, the spending level in the enacted Appropriations Act has been equal to or lower than the previous year only four times in the past 50 years. More typically, the State Budget has grown from year-to-year, as evidenced by an average annual growth rate of approximately 10% over the 50 year period and 7% over the past ten years. Clearly, holding spending flat against the prior year, much less reducing it further, is no small feat.

Average Change in Budgets Over Almost 6 Decades



*Data compares Recommended Budget to the prior fiscal year's Appropriations Act.

Highlights of the proposed fiscal 2009 savings initiatives totaling \$2.7 billion are detailed below, divided between Base Budget Reductions of \$1.7 billion and Revised Growth Projections of \$1 billion.

Base Budget Reductions

The \$1.7 billion in cuts to base appropriations include several initiatives originally proposed by the Governor's Commission on Government Efficiency and Reform (GEAR), such as a proposed Early Retirement Incentive Program (ERI) as well as several departmental consolidations. The largest proposed reductions are listed below:

Direct State Services

This Budget reduces the size of State government operations by over \$350 million through a combination of an ERI program, attrition, and targeted layoffs. This amount includes \$193 million in direct reductions to agency budgets. For the first time in the last 35 years, the operating budget of each Executive Branch agency will be reduced. In addition, the departments will have to realize other savings to offset the \$161 million impact of the proposed ERI program (\$136 million, net savings) and centrally-budgeted procurement savings (\$25 million) once those reductions are fully allocated.

The State will incur some related costs that partially offset the salary-related savings, including unemployment insurance and the creation of a contractually-required displaced worker pool. The associated savings will annualize to a higher amount in fiscal 2010 and beyond. For example, the ERI savings of \$136 million in fiscal 2009 is projected to annualize to approximately \$161 million in fiscal 2010. The program will have limits on eligibility as well as a hard cap on backfilling such that only 10% of the positions vacated by retirement will be allowed to be refilled. This approach preserves the associated budget savings.

Overall, the Fiscal 2009 Budget reduces the Executive Branch workforce by over 3,000 employees, net of new hires, in addition to the decline of nearly 2,000 that has already occurred since the start of this Administration. This Budget also recommends the elimination or consolidation of State agencies, specifically the Department of Agriculture, the Department of Personnel and the New Jersey Commerce Commission, resulting in savings and efficiencies.

Every effort has been made to eliminate duplication and promote efficiencies; however, several of these employee reductions will result in fewer services or longer waiting times. For example, the Department of Environmental Protection (DEP) will be limiting park services based on an \$8.8 million reduction.

Other major Base Budget reductions are detailed below:

- \$519 million (including fiscal 2008 under-spending) by eliminating property tax rebates for individuals earning more than \$150,000; reducing or freezing rebates to homeowners who earn less than \$150,000; and scaling back tenant rebates. (See Chapter 2 for a detailed review of these reductions);
- \$190 million in Municipal Aid programs, including the elimination of the 2008 Municipal Property Tax Assistance, Municipal Efficiency Promotion Aid, and Municipal Homeland Security Assistance Aid programs (total savings of \$100 million) as well as a proportional reduction in the Consolidated Municipal Property Tax Relief Aid (CMPTRA) program (\$25 million);

elimination of CMPTRA to towns with populations below 5,000 (\$22 million); a 50% reduction in CMPTRA to towns with populations between 5,000 and 10,000 (\$15 million); a 5% reduction to Special Municipal Aid, Extraordinary Aid, and Trenton Capital City Aid (total savings of \$11 million); elimination of the REAP and SHARE programs (total savings of \$12 million); and a reduction to the Consolidation Fund (\$5 million). (See Chapter 2 for a detailed review of these reductions);

- \$144 million reduction related to hospitals, including \$129 million in State funds and \$15 million in federal funds. This includes a net reduction to Charity Care of \$108 million; however, it should be noted that the Charity Care allocation of \$608 million in fiscal 2009 includes a new Health Care Stabilization Fund for distressed hospitals as well as a new distribution formula that reflects the most recent utilization patterns. In addition, reductions are recommended to Hospital Relief Offset Payments (\$10 million State funds, \$10 million federal funds); Cancer Grants (\$21 million); and Graduate Medical Education (\$5 million State, \$5 million federal). There is also a budget increase proposed for the Hospital Asset Transformation program of \$15 million;
- \$115 million reduction in operating support for public and independent colleges, including a 10% reduction in State support (\$108 million) as well as a cut in the subsidy for out-of-state students attending a public, four-year institution (\$7 million). This total reduction will be offset by providing over \$38 million to fund negotiated salary increases for public, four-year institutions;
- \$45 million saved in appropriations to nursing homes by limiting inflation adjustments to only high-occupancy Medicaid facilities and not rebasing costs for any nursing home facilities;
- \$34 million from shifting all discretionary capital appropriations to a Special Reserve for Capital Projects;

- \$21 million in initiatives to reduce costs in State pharmaceutical assistance programs. Included is an increase in co-payments for Pharmaceutical Assistance for the Aged and Disabled (PAAD) clients, from \$5 per prescription to \$6 for generic and \$7 for brand name drugs, saving a collective \$7 million. This is the first co-pay increase in 16 years. The new co-payments represent only 9% of what drugs would cost if not for Medicare Part D. In comparison, the increased co-payment implemented in fiscal 1993 represented 13% of the cost of drugs at that time.
- The Medicaid program includes a \$6 co-pay on all emergency room visits that are not a true emergency to save \$550,000 and a \$2 co-pay on prescription drugs that saves \$7 million in fiscal 2009. The \$2 co-pay will have a monthly cap of \$10 per recipient.

See the chart entitled “Appropriations - Major Increases and Decreases” later in this document for a full listing of other reductions proposed for fiscal 2009.

Revised Growth Projections

The \$1 billion in growth adjustments reflects a refinement of cost estimates (i.e., based on more accurate information), growth offset by other funding sources, and decisions not to recognize certain costs due to budget constraints. Examples of the latter include the following:

- \$403 million in anticipated growth is eliminated as the State’s contribution to the pension systems will be essentially flat; specifically, the fiscal 2009 recommendation for the five defined benefit plans will equal the amount appropriated in fiscal 2008;
- \$82 million in inflationary aid to localities for Energy Tax Receipts and the Consolidated Municipal Property Tax Relief Aid (CMPTRA) programs;
- \$42 million from not providing a new cost of living increase to community providers;
- \$40 million in additional subsidy payments to NJ Transit;

- \$32 million in operating assistance for Higher Education institutions.

Finally, there are no new Governor’s Initiatives in this Budget.

In addition to the aforementioned \$2.7 billion in growth restraints and budget cuts, \$500 million of the projected ending fund balance for fiscal 2008 will be used to balance the Fiscal 2009 Budget, thus fully addressing the total projected deficit of \$3.2 billion.

Department Consolidations

Governor Corzine’s comprehensive plan to restructure government operations includes the elimination of three State agencies – the Department of Personnel, the Department of Agriculture, and the New Jersey Commerce Commission. Many vital functions that these departments perform will be consolidated with other agencies where similar functions are performed. This realignment of divisions will save administrative and overhead costs, as well as eliminate redundancy and duplication of effort. The elimination of these three agencies is expected to save \$2.5 million per year in fiscal 2009 and beyond.

Citizen Savings Ideas

During a recent series of town meetings, Governor Corzine received numerous suggestions from citizens and other concerned parties on how to cut State spending. In mid-February of 2008, the Governor announced the establishment of a website to formally gather these ideas for active consideration. The web tool, which can be found at www.nj.gov/governor, has a button for “Direct Citizen Input on Reducing Spending” which leads to a standard reporting form.

Through February 23, 2008, over 1,250 responses have been received. In certain cases, the State has already moved to implement the reforms suggested, or plans to do so in fiscal 2009. Some examples include:

Reduce Energy Costs - The Department of Treasury’s Office of Energy Savings has embarked on several initiatives, including: consolidated purchasing of electricity and natural gas; replacement of antiquated boilers, air conditioning, and heating systems with

energy-efficient equipment; and a new, centralized system for tracking energy cost and use. (See Chapter 3 for additional details.)

State Cars – Several comments were received concerning the sheer number of State cars and their corresponding cost. During the Corzine Administration, the total number of State cars issued to employees for work-related duty has declined by 917, or 9% (net of cars added for the Department of Children and Families to comply with court mandates). In addition, the State has received special approval from the U.S. Department of Energy to purchase more fuel efficient vehicles for its fleet, including Hybrid Electric Vehicles, instead of the Alternate Fuel Vehicles normally required. A review committee will evaluate agency requests to ensure that only the most efficient models are purchased.

Maximize Use of Existing Equipment – Through the establishment of a centralized warehouse for used furniture and computers, the Department of Treasury's Division of Property Management and Construction has successfully reduced State spending by requiring agencies to re-use existing assets. In addition, a moratorium on furniture procurement instituted in 2006 appears to be a prime factor in a 78% decline in furniture expenditures from fiscal 2005 to fiscal 2008 to date.

Consolidate Office Leases – In cooperation with the Legislature's State Leasing and Space Utilization Committee, an effort is currently underway to maximize the use of existing space. Savings of over \$3 million are anticipated in fiscal 2009. (See Chapter 3 for additional details.)

State Employee Contribution to Health Care – Several respondents encouraged the State to reconsider what its employees contribute toward their health care coverage. As of July 1, 2007, in agreements with the Communications Workers of America, the American Federation of State, County, and Municipal Employees, and the International Federation of Professional and Technical Engineers, active State employees in those unions (as well as certain other non-union employees) are now required to contribute 1.5% of their salary to offset health care costs. Increased co-pays for doctor and emergency visits and for prescription drugs also are required.

The health plans also have been changed to replace the Traditional and NJ PLUS plans with a preferred provider organization, which is expected to yield long-term savings.

Increased Employee Pension Contributions – Similar to the above suggestion, other respondents asked that the State re-think how much State and local employees contribute towards their pension costs. Legislation enacted in 2007 (Chapter 103, P.L. 2007) increased State and local employees' contributions to the two largest pension systems by 10%, from 5% to 5.5% of their annual salaries. This increased contribution is helping reduce the unfunded liabilities in these systems.

Higher Retirement Age – The same legislation noted above also increased the retirement benefit age for new public employees, from 55 to 60 years.

Pension Alternative for New Staff – Legislation in 2007 (Chapter 92, P.L. 2007) requires all newly-appointed and newly-elected officials to enroll in the Defined Contribution Retirement Program, guaranteeing that the other pension systems serve only career State and local government employees. The other pension reform legislation referred to earlier (Chapter 103, P.L. 2007) limits the salary used in pension benefit calculations for new employees to the maximum level covered under Social Security. Pension benefits for earnings in excess of that level will be determined through the Defined Contribution Retirement Program. These changes are expected to help contain future cost increases to the existing pension systems.

Critical Growth Needs Recognized

While deep cuts are required to reduce overall appropriations, this Budget does include spending growth, though it is targeted to certain critical areas.

School Aid

By far the most prominent example of critical growth is School Aid, which increases by a total of \$614 million or nearly 6%. The primary increase is for the new school formula, which increases by \$515 million. Additionally, noteworthy increases are also provided for debt service for the School Construction and Renovation Fund (\$59 million) and Preschool

programs (\$27 million). (See Chapter 2 for further details.)

Olmstead Decision: Mental Health and Developmentally Disabled

This Budget provides \$60.9 million in State funds to support the Division of Developmental Disabilities and the Division of Mental Health Services in placing individuals ready to transition from developmental centers and psychiatric hospitals into community residences. Federal funds are expected to supplement these efforts. These initiatives are in line with the U.S. Supreme Court's *Olmstead* decision which held that, as appropriate, persons with developmental disabilities and mental illness have the right to live in community rather than institutional settings. The \$60.9 million amount includes \$39 million provided in fiscal 2009 for new placements as well as \$21.9 million in annualized costs from placements that are expected in fiscal 2008. In addition, with the approval of a plan that supports future year costs with ongoing revenues, the Division of Developmental Disabilities will be able to provide community residential placements to persons on the Community Services Waiting List.

State Rental Assistance Program

The State Rental Assistance Program (SRAP), established in 2005, provides tenant-based rental assistance (i.e., housing vouchers), as well as project

funding to encourage developers to build affordable housing units. The program is a supplement to federal Section 8 rental assistance. The fiscal 2009 recommended funding for SRAP is increased by \$15 million. This program is a Governor's priority and is part of an initiative to preserve 100,000 affordable housing units over the next 10 years.

New Jersey Transit

A budget increase of \$60 million is provided, raising the annual State subsidy from the existing \$298 million to \$358 million.

Higher Education

Over \$38 million is provided for negotiated salary increases in public, four-year institutions.

Senior Freeze

A budget increase of \$16 million is recommended to increase property tax reimbursements through the Senior Tax Freeze program. In fiscal 2009, this program will provide 158,000 residents with checks averaging \$1,069, which is \$125 more than fiscal 2008 average checks. The Governor is also proposing that the income limit for the program be increased to \$75,000 and that these newly eligible homeowners would receive a reimbursement of two thirds of their property tax increase beginning in fiscal 2010.

The FY 2009 Budget

(In Millions)

	FY 2008		FY 2009	Change	
	Adjusted		Budget	\$	%
	Approp				
Opening Surplus	\$ 2,588	\$ 1,434	\$ (1,154)	(44.6)	
Revenues					
Income	12,212	12,926	714	5.8	
EITC Expansion	(40)	(60)	(20)	50.0	
Sales	8,490	8,710	220	2.6	
Corporate	2,675	2,460	(215)	(8.0)	
Other	8,635	8,433	(202)	(2.3)	
Total Revenues	\$ 31,972	\$ 32,469	497	1.6	
Lapses	493				
Total Resources	\$ 35,053	\$ 33,903	\$ (1,150)	(3.3)	
Appropriations					
Original	\$ 33,471	\$ 32,969	(502)	(1.5)	
Supplemental	148				
Total Appropriations	\$ 33,619	\$ 32,969	\$ (650)	(1.9)	
Fund Balance	\$ 1,434	\$ 600			
Long Term Obligation and Capital Expenditure Fund		\$ 334			



CHAPTER 2: PROPERTY TAX RELIEF

OVERVIEW

Governor Corzine’s Fiscal 2009 Budget is dramatically different. Historically, this particular chapter has been devoted to describing a number of new programs proposed for various State departments, including the Governor’s highest priorities. This year, however, the narrative reflects the severity of New Jersey’s fiscal condition, and is limited to outlining the Governor’s ongoing efforts to provide property tax relief to the citizens of the State.

The four major components of this relief are summarized in the accompanying chart, “Funding for Property Tax Relief.” Despite the need to reduce projected spending by \$2.7 billion, total recurring property tax relief will increase by \$73 million from the amount spent in the current year. Furthermore, total property tax relief will still represent approximately 50% of the State Budget, at nearly \$16.7 billion.

Funding for Property Tax Relief

(In Millions)

Programs	FY2008 Adjusted Approp.	FY2009 Budget	\$ Change
School Aid	\$ 10,930.2	\$ 11,544.3	\$ 614.1
Municipal Aid	1,996.8	1,807.2	(189.6)
Other Local Aid	842.2	826.8	(15.4)
Direct Taxpayer Relief	<u>2,850.0</u>	<u>2,514.0</u>	<u>(336.0)</u>
Total Direct Aid	<u>\$ 16,619.2</u>	<u>\$ 16,692.3</u>	<u>\$ 73.1</u>

The first section describes Governor Corzine’s efforts at providing direct property tax relief to the citizens of New Jersey. These programs play a vital role in ameliorating the burden of the property tax while helping improve the quality of life for all residents.

The second section focuses on School Aid, by far the largest source of property tax relief for the citizens of this State. The section outlines Governor Corzine’s changes in how the State will fund public schools. The new funding formula will guarantee greater equity and predictability in how school districts receive State funding, and ensure that all the State’s children receive a “thorough and efficient” system of education, as promised by New Jersey’s Constitution.

The last section describes property tax relief to the State’s municipal and county governments.

Direct Taxpayer Relief

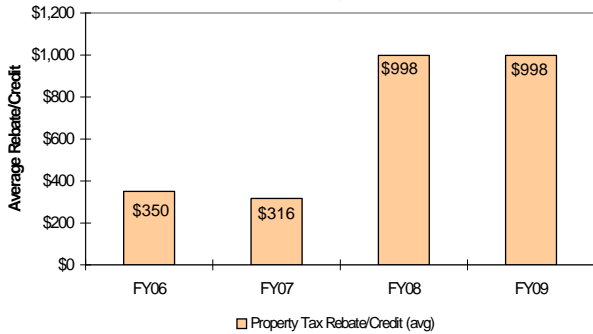
The Fiscal 2009 Budget allocates \$2.5 billion for property tax relief through direct cash payments or credits to State residents. The programs that provide these benefits are described below.

Homestead Rebates

The cornerstone of the direct property tax relief programs is the Homestead Property Tax Credit/Rebate program for homeowners and tenants, funded at \$1.7 billion in fiscal 2009. Budget constraints require that the Homestead Rebate program be cut back, eliminating the highest income earners from the program and reducing rebates for homeowners with incomes in excess of \$100,000 and for certain renters.

The homeowner portion of the fiscal 2009 Homestead Credits/Rebates for Homeowners program, recommended at \$1.6 billion, will continue to provide property tax relief to New Jersey homeowners with gross income of \$150,000 and less. More than 90% of the recipients from last year will still receive a rebate. Homestead Rebates will be calculated as 10-20% of the first \$10,000 of a homeowner’s 2006 property tax bill. The degree of benefit is determined by income. Nearly 1.6 million homeowners will receive rebates at an overall average of \$1,020 per homeowner.

Property Tax Rebates for Non-Senior Homeowners with Incomes Under \$100,000



Rebates for non-senior homeowners have grown by \$648 on average since fiscal 2006.

An estimated 500,000 seniors will receive average rebate checks of \$1,266 while over 1 million non-seniors will receive average rebate checks of \$904. Overall, more than 1.2 million homeowners will receive the same rebate levels that they received in fiscal 2008.

FY 2009 Homestead Rebate Benefits Homeowners*

Homeowner Income	Projected Number of Recipients	Percent of 2006 Property Taxes	Average Benefit
\$0-100,000	1,230,000	20%	\$1,115
\$100,001-150,000	325,000	10%	\$665
Total	1,550,000		\$1,020

* includes senior and non-senior recipients

The tenant portion of funding for Homestead Property Tax Rebates for Tenants is \$124 million in fiscal 2009, a decrease of \$127 million from the fiscal 2008 level. More than 800,000 tenants will also continue to receive direct property tax relief in the form of rebates through the Homestead Rebates for Tenants program. Homestead rebates are provided to reimburse a portion of tenants’ rent costs. The rebate for approximately 715,000 non-seniors will be \$80 in fiscal 2009. Senior tenants will continue to receive substantial rebate checks – averaging \$690. As in fiscal 2008, this group will receive a rebate between the minimum \$160 and the maximum \$860 in fiscal 2009. In an effort to address renters’ needs, \$15

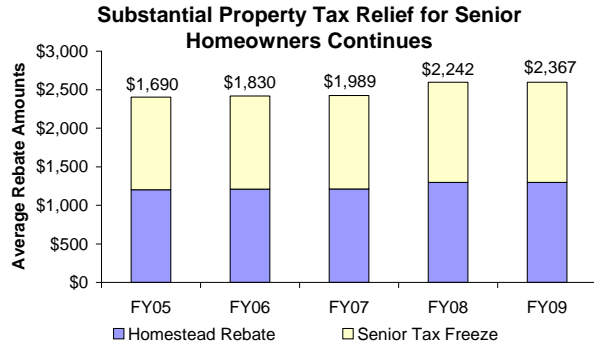
million of the savings derived from this funding reduction will be channeled into the State Rental Assistance Program to provide additional opportunities for housing for low income families.

Senior Tax Freeze

The State will continue to provide a 100% reimbursement of property tax increases for low- and middle-income seniors through the Senior and Disabled Citizens Property Tax Reimbursement (Senior Tax Freeze) program. This program freezes property taxes for low- and middle-income seniors, reimbursing them for any property tax increases that were assessed after they joined the program. The Fiscal 2009 Budget recommends a 10% increase in funding, or \$16 million, over the prior year, resulting in rebate checks that will average a record high \$1,069 for approximately 158,000 total participants.

The Senior Tax Freeze program is funded at \$169 million in fiscal 2009 to provide an average rebate of \$1,234 for 130,000 repeating participants (\$160 million) and \$308 for 28,000 new participants (\$9 million). Income eligibility levels have increased 3.3%, based on the Social Security Administration’s cost-of-living-adjustment, to \$45,135 if single and \$55,343 if married. The Governor is further proposing that eligibility for the Senior Tax Freeze program be expanded to include seniors with incomes up to \$75,000 and that these 150,000 to 200,000 newly eligible homeowners would receive a reimbursement of two thirds of their property tax increases. Reimbursements to these newly eligible seniors would begin in fiscal 2010.

Senior homeowners who are currently eligible for the Senior/Disabled Citizens’ Property Tax Freeze program receive substantial property tax relief, both from the Senior Freeze program as well as the previously-mentioned Homestead Rebate for Homeowners program. In fiscal 2009, these senior homeowners will receive an average combined reimbursement of \$2,367, more than 40% higher than the fiscal 2006 combined reimbursement of \$1,690. Seniors taking advantage of both programs will receive combined benefits averaging more than a third of their total property tax bill.



The average combined reimbursement for property taxes to senior homeowners eligible for the Homestead Rebate and Property Tax Freeze programs climbed 40%, from \$1,690 in fiscal 2005 to an estimated \$2,367 in fiscal 2009, comprising more than one-third of their property tax bill.

Property Tax Deductions

Since fiscal 2004, the State has provided the constitutionally-mandated maximum property tax deduction of \$250 to veterans and eligible senior and disabled residents on their property tax bills. Approximately 360,000 veterans, seniors and disabled citizens are expected to apply for this deduction in fiscal 2009. The State has allocated \$92 million in the Fiscal 2009 Budget to reimburse municipalities for reduced tax collections.

Eligible homeowners and tenants who pay property taxes, either directly or through rent, on their principal residence in New Jersey are eligible for either a deduction or a refundable credit on their New Jersey resident income tax return. The property tax deduction against State income tax liability will save middle-income taxpayers an estimated \$536 million in fiscal 2009. This is \$34 million, or 6.7%, higher than the previous fiscal year.

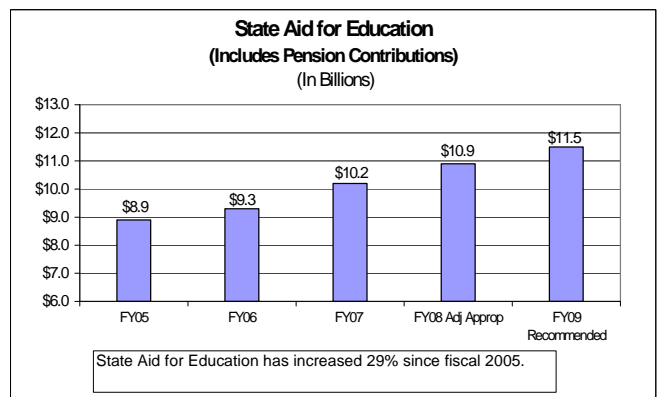
School Aid-- New Formula

New Jersey schools are among the best in the country, with exemplary educational outcomes. In fact, the test scores from the National Assessment of Educational Progress (NAEP) this year showed that progress continues to be made in closing the achievement gap for African American and Hispanic students in New Jersey. The State's foremost goal is to continue this progress under the new school funding formula, which was enacted in January 2008.

In order to sustain these high and improving achievement levels, the State has invested significant

resources into K-12 public education and early childhood education. When State Aid and local tax levy contributions are combined, current per pupil spending on education in New Jersey is the highest in the nation.

Total State Aid for education, including the State's contributions to teachers' pensions and benefits, is \$11.5 billion. This represents 35% of the State's budget, an increase of \$614.1 million over fiscal 2008. Of that, about \$7.8 billion in formula aid for K-12 education will be distributed in accordance with the School Funding Reform Act of 2008, an increase of \$514.6 million from fiscal 2008. The Budget also includes \$600.9 million for the School Construction and Renovation Program and \$103 million in School Building Aid. The combined total of these two programs represents an increase of \$48.5 million over the fiscal 2008 adjusted appropriation for these categories of aid. This funding will service State school construction debt on new and existing bond issues, as well as provide aid for qualifying local debt issued for school construction. The Budget provides \$2.3 billion in payments on behalf of local school districts for teachers' retirement benefits and the employers' share of Social Security payments. This represents an increase of \$31.4 million over the fiscal 2008 adjusted appropriation and protects property taxpayers from shouldering these costs.



The Governor's goal for the new school funding formula is to bring greater equity and predictability to State funding for school districts in a manner that fulfills the State's constitutional obligation to provide a "thorough and efficient" system of education to all students in New Jersey. To that end, the new formula

replaces the former unpredictable, ad-hoc system of distributing State Aid with a more streamlined approach that accounts for the needs of all students. As evidence of this more streamlined approach, the new formula collapses 23 aid categories into 8.

The development of the new formula was done carefully to ensure that the new system will be constitutional: the adequacy budget allocates similar resources to similarly situated students, regardless of their zip code. The formula allocates additional resources to support students who live in districts with high concentrations of poverty, regardless of whether that student resides in a low-income urban school district or another low-income district. By calculating aid based on the student population rather than district location, the new formula will distribute aid equitably during periods of changing demographics and enrollment shifts. This is critical because our state is clearly experiencing demographic shifts that will lead to changes in districts' needs. At this point, about 49% of all low-income students in New Jersey live outside of the Abbott districts. Furthermore, the majority of public school African American students and Hispanic students are enrolled in the non-Abbott districts. The new school funding formula provides a more equitable manner for distributing School Aid in the face of these changing demographics; it provides a consistent way to determine the needs of students; and apportions State Aid after considering each school district's ability to pay, based on the aggregate income and the property values of that district.

Adequacy Budgets

The per pupil amounts for students without special needs; at-risk students (defined as those eligible for free- and reduced-price meals); students with limited English proficiency; and students that are both at-risk and limited English proficient are the building blocks of the adequacy budget. The adequacy budget represents the sum of these per pupil figures as applied to projected 2008 enrollment data for each district. This is a notable departure from past practice; due to budgetary constraints in recent years, the calculation of formula aid using enrollment data has not occurred since 2002.

State and Local Share

Once the adequacy budget is determined for each district, the formula includes a calculation to determine what portion of the adequacy budget will be paid for by the State and what portion by the local taxpayers, giving consideration to the districts' ability to pay.

Outcomes of the New Formula

All school districts will see an increase of at least 2% during the first year of the new formula, with the majority (58%) receiving an increase greater than the minimum 2%. Of the 594 regular and vocational school districts, 23% will receive increases of 10% and an additional 22% will receive increases of 20%.

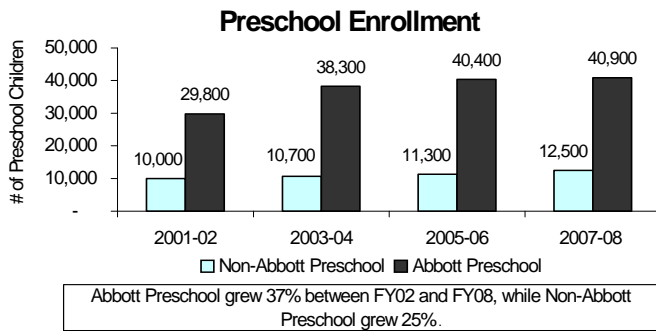
In general, the new formula will provide the largest increases to districts that have been spending below their adequacy budgets and districts wherein the local taxpayers have been shouldering more than their local fair share.

Special Education

Unlike prior formulas, the new school funding formula recognizes the actual statewide costs of special education services. It will provide significant increases in aid for special education students and also includes reforms to Extraordinary Special Education Costs Aid. The School Funding Reform Act of 2008 continues reimbursements for high cost students via an application process, with cash payments of approved amounts made in the subsequent year, and increases the State support level. The State will reimburse direct instructional and support services for fiscal 2009 costs in fiscal 2010 at varying levels, depending upon the special education student's placement. In the Fiscal 2010 Budget, the Governor will recommend increasing further the reimbursement level provided under the new funding formula. Under the Governor's planned recommendations, reimbursements for per pupil costs above \$40,000 will be at 95% for in-district placements with non-disabled peers, and at 85% for placements in a separate public school program for students with disabilities. Reimbursements for per pupil costs above \$55,000 for private school placements will be at 85% of tuition costs.

Preschool

New Jersey is leading the country in the level of resources invested per student in high-quality, full-day preschool for three- and four-year-old students. The Fiscal 2009 Budget provides \$26.9 million in increased funding for preschool programs for at-risk students. The Abbott preschool program, which is currently funded at almost \$480 million, provides nearly 41,000 three- and four-year-old students in the 31 Abbott districts with high quality early childhood experiences. These high quality programs require the use of an approved curriculum, small student-teacher ratios, and the use of certified teachers, among other requirements. Enrollment in Abbott preschool has grown steadily over time, as noted in the accompanying chart:



Studies such as the Abbott Preschool Program Longitudinal Effects Study (APPLES) and the Five-State Prekindergarten Study have begun to demonstrate the notable, positive impact of the Abbott preschool program on student outcomes in later grades. Upon entry to kindergarten, children who attended the Abbott preschool program performed significantly better on language and math measures than those who did not. In kindergarten and first grade these differences were still observed. Children who attended preschool for two years perform nearly two times as well as children who did not attend preschool on measures of language, and 70% better on math measures. In addition, the latest increases in NAEP reading scores suggest that preschool, in addition to a focus on early literacy, has had a significant beneficial impact on outcomes for children.

The Governor seeks to expand upon the success of the Abbott preschool program by offering this high

quality, full-day preschool program to at-risk three- and four-year-olds in districts throughout the state. Preschool education aid will be provided for all students that reside in “A” and “B” District Factor Group (DFG) districts and all students in “CD” DFG districts where 40% or more of the students are at-risk. In addition, the Governor seeks to provide preschool opportunities to at-risk students in all other districts by providing preschool education aid for every at-risk student in those districts. This preschool expansion is an exciting and promising opportunity to replicate the gains that have been made in the Abbott districts in other communities across the state. The expansion will be phased in over six years and will ultimately provide preschool opportunities for approximately 30,000 additional students.

In fiscal 2008, the State began to lay the groundwork for this expansion by awarding Preschool Quality Enhancement grants to 14 early childhood providers, serving nearly 3,000 children in non-Abbott districts. These grants were designed to offer resources for providers to begin adopting the quality standards that will be required for programs under the preschool expansion, and will support fiscal 2008 and 2009 program costs. Furthermore, funds from the Fiscal 2008 Budget are being used to conduct a needs assessment of the capacity that currently exists to accommodate the large-scale preschool expansion included in the School Funding Reform Act of 2008.

Fiscal 2009 will be a planning year for preschool expansion in most districts. Over the course of fiscal 2009, the Department of Education will use the results from the needs assessment for policy and planning decisions that will guide preschool expansion. In light of this planning period, non-Abbott recipients of Early Childhood Program Aid and the Early Launch to Learning Initiative will receive inflationary increases in preschool funding. Abbott programs will be funded based on their approved 2008-2009 plans.

Accountability Measures

The Governor recognizes that additional funding for school districts must be accompanied by accountability measures, to ensure that funds are spent appropriately. To that end, where appointed thus far, the Executive County Superintendents are closely reviewing school district budgets and

identifying room for efficiencies and shared services opportunities. Under the authority of the School District Fiscal Accountability Act, the Department of Education is also relying on State fiscal monitors in seven districts to provide daily oversight of purchasing and other financial decisions. Lastly, the Department of Education continues to implement the Quality Single Accountability Continuum (QSAC), which assesses all school districts in the areas of (1) program and instruction, (2) governance, (3) operations management, (4) financial management, and (5) personnel. At this stage, 151 districts have undergone QSAC reviews or are close to completing the review process, and the districts' scores in the five areas under review will be used to place highly skilled professionals where necessary and to formulate short and longer-term improvement plans for districts. The QSAC reviews also have been used to demonstrate where districts have made noteworthy progress, such as the changes in governance in Jersey City that will lead to the return of local control of that school district.

School Construction

The new school funding formula does not address the school construction needs facing districts across the State. Most notably, the State has a constitutional obligation to provide 100% of the financing for school facilities in the New Jersey Schools Development Authority (SDA) (formerly Abbott) districts. In 2000, the State authorized \$6 billion in bonds to fund school construction projects in the SDA districts. However, at this stage, those funds have been expended or obligated.

The Governor has asked the Legislature to increase the bond authorization for SDA school facilities projects by \$2.5 billion, to move forward with several stalled projects as well as with health and safety projects. The debt service on this \$2.5 billion authorization will be funded via a legislative dedication of a portion of the revenue raised by the State income tax. This Budget does not assume additional bond issues beyond the current authorization, since the current authorization will provide sufficient funds for any work performed during fiscal 2009. However, the legislative authorization for the additional funding is needed at this time to ensure adequate funding is available to complete any new work that is initiated.

Municipal Aid

The Fiscal 2009 Budget provides more than \$1.8 billion in municipal aid to New Jersey's 566 municipalities. While this represents a \$190 million decrease, it is less than a 10% reduction over the previous year's funding and reflects the State's fiscal crisis.

This Budget recommends a \$62 million reduction in the Consolidated Municipal Property Tax Relief Aid program. Specifically, it eliminates \$22 million in funding for municipalities below 5,000 in population, reduces funding by \$15 million (50%) for municipalities between 5,000 and 10,000 in population, and reduces an additional \$25 million spread proportionally among the remaining municipalities receiving aid from this program. The Energy Tax Receipts Property Tax Relief Fund program continues to be funded at \$788.5 million, providing a combined total aid distribution between these two programs of \$1.56 billion in fiscal 2009. In addition, funding for three smaller municipal aid programs is eliminated in fiscal 2009, including:

- Municipal Efficiency Promotion Aid Program - \$34.8 million
- 2008 Municipal Property Tax Assistance - \$32.6 million
- Municipal Homeland Security Assistance Aid - \$32 million

This Budget also reduces the Consolidation Fund appropriation by \$5 million, to a total of \$10 million, and eliminates the \$4.2 million appropriation for the Sharing Available Resources Efficiently (SHARE) program. However, the SHARE grant program can continue in fiscal 2009 by utilizing surplus balances from prior years totaling nearly \$7 million. The Consolidation Fund, which was newly created in fiscal 2008, will also mitigate the impact of eliminating the SHARE appropriation, as both programs aim to encourage consolidation and shared services through incentives and technical assistance to local units of government.

Given the Consolidation Fund's recommended funding of \$10 million for fiscal 2009, the remaining \$15 million balance from its fiscal 2008 appropriation, and the SHARE program's \$7 million

balance, there will be a total of \$32 million available to assist with local consolidations. In keeping with the State's commitment to helping local governments operate more efficiently, municipalities with populations below 10,000, which are targeted for a portion of the municipal aid reductions discussed above, will receive priority standing in receiving assistance from these funds.

Funding for the Regional Efficiency Aid Program (REAP), \$8 million, is also recommended for elimination in the Fiscal 2009 Budget. Since fiscal 2003, REAP assistance totaling nearly \$60 million has been limited to 14 towns which achieved the largest per capita savings through consolidation of municipal services. The State payment provided an incentive and reward for their efforts to consolidate, but after six years of such payments, it is time to allow the residents of these towns to benefit from consolidations that have been implemented as a result of previous incentives.

The appropriation for the Special Municipal Aid program in fiscal 2009 is \$145.4 million, representing a 5% reduction over the previous year's funding. This program provides assistance to municipalities facing severe fiscal conditions in recovering from fiscal distress and improving management and financial practices. As a condition of receiving such assistance, municipalities must agree to stringent controls as set forth by the Special Municipal Aid Act. Funding for the Trenton Capital City Aid program is also reduced by 5%, to \$35.6 million.

This Budget also recommends a 5% reduction of \$1.7 million in the Extraordinary Aid program. Funded at \$32.3 million, this program provides aid to municipalities facing unexpected increases in costs that would otherwise lead to an unacceptably high spike in municipal tax rates.

Other Local Aid

The Fiscal 2009 Budget also provides over \$825 million in county and other local aid. It recommends reducing the County Solid Waste Debt Service Aid program by \$5 million, to a total of \$30 million. Over the past few years, several counties and county solid waste authorities that receive this assistance have successfully improved their finances and operations, thus reducing their reliance on State Aid to meet their debt service obligations.

Reflecting progress toward consolidating 911 call centers across the state, funding for Enhanced 911 Grants is reduced by \$2.5 million, to a total of \$12.4 million in fiscal 2009. This program provides grants to countywide and local 911 call centers for operations, equipment, and to study consolidation opportunities. This reduction represents the continuing efforts of the New Jersey 911 Commission and the Office of Emergency Telecommunications Services to exclusively target these grants toward countywide and other high-volume call centers, in order to continue encouraging consolidation. A 2006 study commissioned by the State and conducted by the John J. Heldrich Center for Workforce Development at Rutgers University concluded that consolidated call centers that cover larger areas are more efficient by every known measure. Furthermore, because small call centers are easily overwhelmed in a crisis situation, consolidation offers an opportunity to save money *and* significantly bolster public safety by improving service.



CHAPTER 3: MANAGEMENT EFFICIENCIES

Overview

This Budget continues Governor Corzine's efforts at transforming State government—making it more efficient while providing better services at the lowest possible cost to the taxpayers. The Administration will work to identify new cost-saving initiatives, and will adopt the most innovative efforts and best practices being employed in other states and sectors.

The remainder of this chapter reports on proposed initiatives for fiscal 2009, and highlights the savings that have resulted from current initiatives. Common sense efforts such as these reduce recurring spending needs, helping the Administration achieve true structural balance in the State's Budget.

Energy Savings

The Department of Treasury's Office of Energy Savings works with State agencies to increase energy efficiency, reduce energy consumption and cost, and improve the procurement of energy. In the past year alone, this work included the following accomplishments:

- Led a consortium of State agencies, authorities, and colleges in conducting the State's first online, reverse auction for the purchase of electricity. The new energy contracts deliver significant value in terms of price certainty and cost control for State government in this time of volatile energy prices. For example, wholesale electricity prices have increased by 22% since May 2007 when the auction was held, yet these contracts are expected to deliver a 1.2% reduction in the State's electricity price, which will carry forward for three years. Based on the current market, this equates to \$23 million in avoided energy costs for the State.
- Restructured the State's existing natural gas supply contract, which had three years remaining and pricing which was considerably higher than the current market. By adding one year and blending the lower futures price into the current term, an immediate 5% price reduction was achieved. The new contract is expected to deliver \$4.1 million in cost avoidance over the next three years.

- Implemented immediate energy conservation measures in State buildings, which are expected to reduce energy consumption by more than 22 billion BTUs, reduce energy costs by more than \$800,000, and reduce greenhouse gas emissions by 3,000 metric tons. These measures include relatively simple practices such as set-point changes for building control systems, reduced off-hours operation of lighting and climate control systems, and more frequent changes of air filters.
- Launched \$6.9 million in energy savings projects at nine State facilities. The facilities include Woodbine Developmental Center, Trenton Psychiatric Hospital, the Roebling and Taxation Buildings, the Trenton Office Complex, the Justice Complex, and the State House. Improvements include upgrades to building controls, lighting, and climate control systems, as well as added insulation, all of which will yield cost savings and environmental benefits. When fully implemented, these projects are expected to deliver \$1.3 million in annual energy cost savings and pay for themselves in fewer than six years. They will also reduce carbon dioxide emissions by 6,900 metric tons annually. New climate control systems at Woodbine and Trenton will benefit nearly 1,000 developmentally disabled and mental health clients, and are part of a larger, long-term effort across all Human Services institutions.
- The U.S. Department of Energy approved funding for a Statewide Energy Tracking System that will permit the Department of Treasury to centrally monitor energy consumption and cost. The system also provides for Energy Star scoring which will help departments understand their energy needs and target their efforts to reduce usage.

Workers' Compensation and Sick Leave Injury

The State's costs for Workers' Compensation (WC) claims have risen from \$41 million in fiscal 2003 to \$68.9 million in fiscal 2007, an increase of over 68%. For the Sick Leave Injury (SLI) program, an

additional \$13.4 million was spent in fiscal 2007, accounting for 65,472 lost work days.

To address the problem of steadily increasing costs for the WC and SLI programs, the State has taken steps to implement better management and control of these compensation programs.

- In March 2007, Governor Corzine signed legislation upgrading the former Bureau of Risk Management to a Division reporting directly to the Treasurer. The new Division of Risk Management (DRM) will have expanded authority to monitor and regulate both WC and SLI benefits throughout State government departments.
- Changes presently underway will consolidate the administration of SLI claims into one agency – DRM. New regulations and revised standard procedures will eliminate redundancies in claims review, previously shared by the Department of Personnel and DRM. Changes will ensure consistency and accuracy in claims management, factors important to reducing costs and increasing efficiency.
- DRM has issued a new Request for Proposal (RFP) for workers' compensation managed care services. The goal is to retain a provider network certified by the Department of Banking and Insurance as having doctors knowledgeable in the application of workers' compensation laws and regulations, and in providing medical care for workers' compensation cases. The new RFP emphasizes that medical management of claims must include a provider program to support a claimant's return to work as soon as possible.

Motor Vehicle Commission

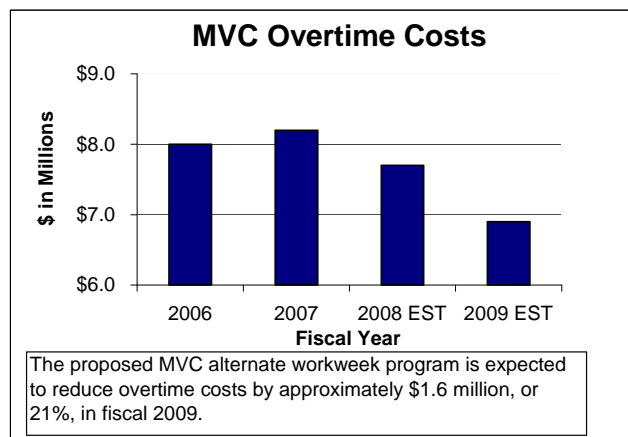
Based on its blueprint for the future, *MVC Forward – Strategies for Excellence*, the Motor Vehicle Commission (MVC) plans to implement several operational efficiencies in fiscal 2009 that will save an estimated \$5.0 million.

The Commission plans to save \$1.1 million by eliminating the Mobile Unit and the Tiger Team. Respectively, those programs provide licensing services to senior centers and employee training at field agencies. Service for seniors will be addressed by scheduling appointments at local agencies and using NJ Transit's Senior Shuttle for transportation

purposes. Since MVC is in its fifth year of issuing digital driver licenses, there is no longer a need for the Tiger Team to provide on-site employee training at MVC's field agencies.

A total of \$1.6 million will be saved through implementation of an office supply control program and utilization of cooperative purchasing. Implementation of an office supply control program will maximize the use of existing supplies in the MVC-maintained warehouse and the State-run distribution center before orders may be placed with higher-priced, outside vendors.

In fiscal 2009, MVC's advertising contract will be reduced by \$700,000 (50%) through the use of existing in-house staff to perform the graphics design element of the MVC website. The current vendor will continue to support web services such as the motorcycle safety campaign, inspection/vehicle maintenance functions and cinema screen ads. This division of labor will enable MVC to continue expanding its web-related services, which are instrumental in reducing motorist volume at the agencies. Furthermore, to provide additional operational flexibility, an alternate workweek program has been proposed mainly for the field agencies. As illustrated in the accompanying chart, "MVC Overtime Costs," the program is expected to reduce overtime costs in fiscal 2009 by approximately \$1.6 million, or 21%.



Electronic Catalog

The State currently uses multiple information technology (IT) interfaces to purchase nearly \$1 billion of goods and services a year, resulting in a

process that is both time-consuming and unwieldy. As part of the Division of Purchase and Property's drive to modernize procurement practices, a state-of-the-art, web-based electronic catalog (eCatalog) is being developed to facilitate communication between the vendor community, agency buyers and local government entities.

The eCatalog system, when fully implemented, will save time and increase efficiency in the processing of over 85,000 annual purchase orders. Presently, State procurement staff must issue separate purchase orders even for related items. Features of eCatalog include a "shopping cart" and search capabilities common to many of today's Internet-based applications, thus vastly simplifying the procurement process. A successful pilot at the State's Distribution and Support Services center reduced the time for processing purchase orders by two-thirds (i.e., from an average of 30 minutes to 10 minutes).

To provide added leverage for volume price discounts, eCatalog will capture data on items procured not only by State agencies but also by local government entities. Comprehensive data on vendor sales will be collected electronically, thus negating the need for time-consuming vendor surveys and providing new strategic sourcing opportunities.

A particularly valuable function will be the ability to centrally implement a freeze function that will control expenditures on commodities and services placed under various spending moratoria. For example, the State has issued a moratorium on the purchase of furniture, IT equipment and related services. The eCatalog system will ensure that restrictions on such purchases will be enforced.

With a fiscal 2009 allocation of \$800,000, eCatalog can be fully implemented in six months, including the training of agency staff.

Contractor Responsibility

The State's current system for evaluating contractors is somewhat fragmented and the information that is gathered is not managed in a central, coordinated manner. Since contractors often work for more than one agency, this situation may permit certain vendors to receive additional work despite a history of poor performance. Other states such as Pennsylvania,

Massachusetts, Connecticut, and Michigan have implemented "central evaluation" programs as a way to open new lines of communication between state agencies, and it is proposed that New Jersey consider this approach beginning in fiscal 2009.

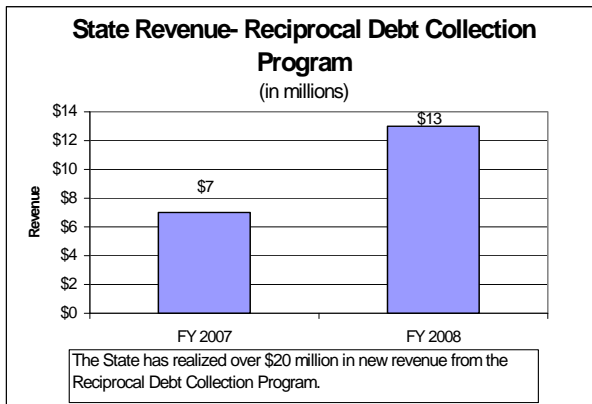
Specifically, it is recommended that a "contractor responsibility" file be created as a pilot program for construction-related contracts issued by the Schools Development Authority (SDA), Division of Property Management and Construction (DPMC) and the Building Authority. This database would contain a comprehensive, detailed list of performance information (much of which already exists) that could be considered by the affected agencies, thus providing a key management tool to improve effectiveness and efficiency. While data access would be sharply restricted for privacy purposes, it would provide a means for agencies to collectively assess the past performance of a contractor, thus elevating the importance of performance measurement in contract considerations. This program, which would not require additional staffing or statutory changes, will be developed during fiscal 2009 through a joint effort of the Office of Management and Budget (OMB) and the affected agencies, with legal guidance from the Office of the Attorney General.

Debt Collection Improvements

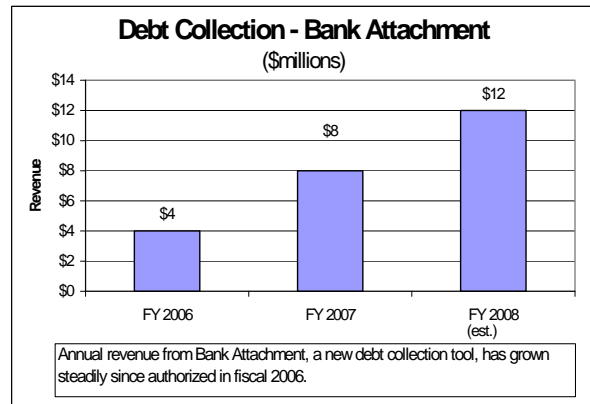
The efficient collection of outstanding debt is a key component of any financial system. The Department of Treasury has implemented several improvements to maximize the collection of State taxes, along with non-tax revenues such as assessments, overpayments, fines, and fees.

Recognizing that a sizeable portion of debtors owe money to both the federal government and the State, the Legislature enacted a law in 2006 (P.L. 2006, c. 32) authorizing a reciprocal debt collection agreement with the federal government. New Jersey and Maryland were the only two states chosen to participate in this pilot program. Unlike past agreements, which were largely limited to the collection of tax debt owed by individuals, this compact includes both tax and non-tax debt and is specifically designed to also identify amounts owed by businesses and vendors. The federal and State accounting systems were modified to automatically offset their respective debt amounts owed, with debt-

related information being exchanged daily. If, for example, a debtor owes money to the State, planned disbursements to that debtor by the federal government are reduced and these funds instead are forwarded to the State of New Jersey. As shown in the accompanying chart, “State Revenue—Reciprocal Debt Collection Program,” since the inception of this effort, the State has realized over \$20 million in new tax revenue. This new revenue includes \$7 million in fiscal 2007 and \$13 million to date in fiscal 2008.



The Division of Taxation has also made good use of several new debt collection tools that have been provided through changes in State law. For example, legislation enacted in 2004 authorized the Division to secure information from financial institutions (e.g., banks) on accounts held in the name of tax debtors once the debt was covered by judgment. The subsequent levies of the matched accounts generated \$4 million in fiscal 2006, \$8 million in fiscal 2007, and at its present pace will total \$12 million in the current year. (See accompanying chart.) Additional revenue is anticipated in future years as the Division expands the reach of the program to a greater number of banks.



In the area of non-tax debt, OMB and the Division of Revenue (DOR) followed up on recent studies performed by the State Auditor regarding the status of agency collection efforts. Based on these findings, the Administration supports pending legislation (S472/A2236) that would formally recognize DOR as the State’s central debt management agency. In addition, the bill codifies existing administrative requirements mandating the referral of debt to DOR after 90 days; improves accountability by requiring agencies to annually certify the amount of debt owed; and calls for annual reporting to both the Legislature and the Governor’s Office.

Division of Taxation - Auditing Efficiencies

In fiscal 2007, the Division of Taxation implemented a new tax compliance system known as ESKORT, which is designed to improve case management and audit support and thus increase the efficiency of the audit process. Formerly, much of the audit data and related reports were stored in paper files, which reduced staff productivity and inhibited coordination within the Division.

In the new system, auditors can share a “common” set of work papers with consistent and verified computations. Taxpayer and tax return information from various mainframe systems are electronically pre-populated into an Electronic Case File (ECF),

virtually eliminating tedious transcription and data-entry by auditors and the storage of paper files. Auditors may now access third party information (e.g., federal data) that is directly imported into the ECF and can extract data directly for the purpose of audit selection.

Presently, over 500 key pieces of information may be extracted from the ECF for reporting purposes or for analysis by the Division’s data warehouse unit. Various audit units are being phased-in and trained, so that by the end of fiscal 2008 the majority of the Division’s audit units (i.e., approximately 470 employees) are expected to have access to ESKORT. The system is expected to yield significant improvement in productivity (i.e., audit completions) once fully implemented.

Space Utilization Initiative

In fiscal 2008, the State initiated a statewide assessment of owned and leased buildings with the goal of maximizing the use of existing office space. For the first time, a comprehensive set of information was captured in one system, namely the Land and Building Asset Management System (LBAM), which now serves as a central repository for all of the State’s leased and owned assets. Formerly, key information such as square footage, lease duration, and staff occupancy was scattered across multiple systems, none of which provided a complete picture of the current situation.

Under this initiative, all departments report the use of work space and distribution of employees by program. As agencies continue to downsize, opportunities arise to re-evaluate the need for existing workspace. By comparing existing space usage metrics to private industry standards and implementing technologies designed to reduce storage needs, such as electronic imaging storage, Treasury’s Division of Property Management and Construction (DPMC) is able to reduce lease costs and efficiently manage State-owned buildings. Ongoing initiatives include the “restacking” of existing buildings, which makes it possible to eliminate new leases in areas where surplus space is available.

In fiscal 2009, there will be a renewed emphasis on consolidating agency staff from leased facilities with expiring rent contracts to vacant space in State-owned

facilities. The ongoing attrition of employees has increased the amount of vacant office space, and several leases that were originally envisioned have either been eliminated or deferred. The State Leasing and Space Utilization Committee (SLSUC) will continue to play a vital role in reviewing agencies’ long-term plans, including potential relocations and reductions for the next 5 to 10 years.

As illustrated in the accompanying table, “Office Space Consolidation,” a savings of \$5.1 million is anticipated from the termination or renegotiation of 13 leases over the next 2 years. The savings include 8 leases in fiscal 2009 (\$3.3 million) and 5 leases in fiscal 2010 (\$1.8 million). Savings are also expected in later years, as additional leases are retired.

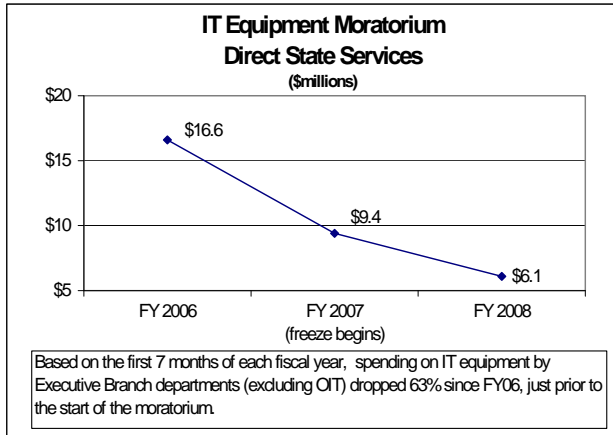
Office Space Consolidation	
Action	Savings
Close / Renegotiate 8 Leases In FY 2009	\$3.3 million
Close 5 Leases in FY 2010	1.8 million
Total Savings From Lease Consolidation	\$5.1 million

Government Advantage -- New Banking Platform

In fiscal 2007, over \$3.6 million in additional interest income was earned by placing certain State bank accounts on a new billing platform. Through this relatively simple cash management technique, the “Government Advantage” program enables New Jersey to earn interest income in place of standard (i.e., lower) earnings credits on all residual Demand Deposit Account cash balances.

Information Technology (IT) Moratorium

The moratorium on the purchase of information technology (IT) equipment instituted at the beginning of fiscal 2007 reduced IT hardware expenditures among Executive Branch agencies by 63% from fiscal 2006 to fiscal 2008 to date, as illustrated in the accompanying chart, “IT Equipment Moratorium.” Expenditures for Direct State Services (DSS) have declined by \$10.4 million.



Excluded from the moratorium are certain one-time investments deemed essential for better service delivery to the residents of the state, such as upgrades at the Motor Vehicle Commission and needed statewide IT infrastructure. All such special purpose projects must be approved by the Office of Information Technology (OIT) and OMB before they can go forward.

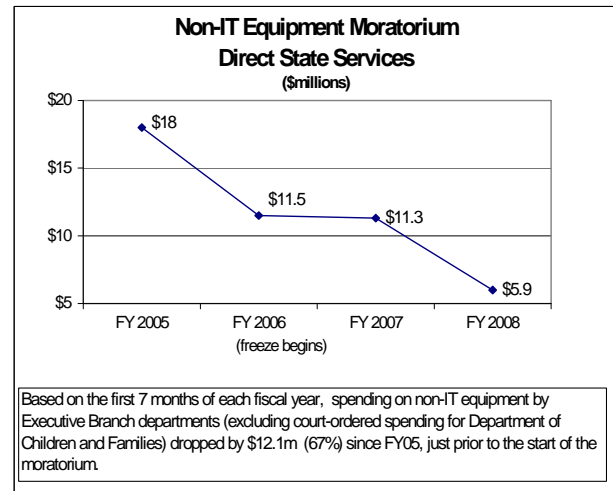
To reduce the cost of essential technology upgrades, New Jersey has joined 44 other states under the Western States Contracting Alliance (WSCA) to take advantage of the buying power of this larger entity, and thus obtain the lowest prices from vendors. Using this increased buying power, the Division of Purchase and Property (DPP) was able to reduce the price of a standard personal computer from \$774 under the old contract to \$565 under WSCA. The first computer procurement under the WSCA contract was November 23, 2007. Since that time, personal computer spending is down 20% from the previous contract. Savings are expected to continue in fiscal 2009 through the discounted pricing advantages made possible through WSCA, and to increase as new categories of IT equipment, such as monitors, servers and printers, are negotiated through WSCA in fiscal 2009.

A significant advantage to the WSCA contract is that pricing is based on three standard configurations of laptops and desktops, preventing agencies from purchasing more computer power than they need. Under the old contract, standard configurations were not available, and agencies could load expensive features onto the equipment they bought. Now, under the moratorium and with the WSCA pricing in place, agencies must justify their request for new equipment,

and demonstrate a specific need for any additional features.

Non-IT Equipment Moratorium

A joint OMB and Division of Purchase and Property (DPP) directive issued in July 2006 extended the spending moratorium to purchases of all equipment. State government procurements now subject to review and approval by OMB include those for vehicles, furniture, office use unrelated to computers (e.g., copiers), equipment for building maintenance, food preparation, communications (e.g., radios), medical and hospital, classroom instruction, agriculture and conservation, and scientific study.



Comparing the first seven months of fiscal 2008 with the same period prior to the moratorium reveals that spending by Executive Branch departments on items covered in the directive dropped by 67%. The slowdown in procurement of a wide range of equipment avoided costs of approximately \$12.8 million. This moratorium policy will continue through fiscal 2009.

Email Systems Consolidation

In fiscal 2008, the State appropriated a total of \$1.1 million to OIT for its Email Systems Consolidation initiative. Currently, the State supports multiple email applications across its agencies. This initiative will move all Executive Branch email users onto a

single software platform, which will provide the following benefits:

- Eliminates the need to support, upgrade, and maintain multiple email systems;
- Improves interagency communication by ensuring email, directory, and scheduling compatibility and synchronization; and
- Reduces costs through a single statewide email client licensing agreement.

By the end of fiscal 2008, OIT plans to use the \$1.1 million provided to complete the software and hardware infrastructure that will facilitate the new statewide email system.

OIT has already renegotiated the State's client licensing agreement by taking advantage of the increased buying power of this consolidated system. Under the previous agreement, client licenses cost \$43 per user. Now, it will cost agencies that have to purchase new licenses only \$29 per user, a savings of almost one-third. Since nearly 60% of Executive Branch agencies currently operate some version of the planned email system, this initiative leverages the State's existing investment in licenses. From late fiscal 2008 and into fiscal 2009, the remaining agencies will begin purchasing new email client licenses and will thus benefit from these cost savings. The overall plan is for most agencies to have completely migrated to the new system by the end of fiscal 2009.

Electronic Cost Accounting Timesheet System (eCATS)

In fiscal 2008, the State appropriated \$5.8 million to OIT for the expanded use of the electronic Cost Accounting Timesheet System (eCATS) across all State agencies. Until now, most agencies have been using an application called TALRS (Time and Leave Reporting System), which is an antiquated, manual entry system that is costly to maintain and difficult to adapt to changing functional requirements. Through eCATS, the State will be able to process payrolls in a more accurate, timely, and detailed manner, substantially reducing processing and recordkeeping costs.

Specific eCATS benefits include:

- The State will no longer have to administer or maintain multiple employee timekeeping systems;
- Agencies will no longer have to perform manual cost accounting for federal reporting and salary cost analysis;
- Employees will no longer have to complete, collect, approve, and file paper timesheets or leave slips;
- Automates the paper-based payroll submissions process and reduces the manual effort to key the payrolls each pay period; and
- Departments will use a simple web-based application that can be accessed from any internet connection.

In one example of cost savings, the Department of Human Services' fiscal 2009 budget has been reduced by \$2.8 million due to the implementation of eCATS. Of this amount, \$1.8 million is attributable to the attrition of payroll clerks who manually enter time sheets in the current timekeeping system. An additional \$1 million will be saved through improved monitoring of overtime made possible by a combination of eCATS and a separate biometric-based time clock system in the State's developmental centers and mental health hospitals.

Currently, four State departments and agencies are using eCATS, including the Departments of Transportation, Labor and Workforce Development, Environmental Protection, and the Motor Vehicle Commission. The rollout will continue on a staggered schedule, including several weeks of testing, to ensure no disruption to the State's payroll system. By the end of fiscal 2008, two more departments will be added -- the Department of Health and Senior Services and the Department of Education. In fiscal 2009, another five departments are currently scheduled to implement eCATS. The remaining agencies are currently in the design phase, with implementation expected to begin in late fiscal 2009.

eCATS Anticipated Implementation Schedule

FY08	FY09	FY09-FY10
Education Health and Senior Services	Banking and Insurance Children and Families Human Services Office of Information Technology Treasury	Community Affairs Corrections Judiciary Law and Public Safety Military and Veterans Affairs State
Those departments currently using eCATS include Environmental Protection, Labor, Transportation and the Motor Vehicle Commission.		

Data Center Consolidation

In fiscal 2008, the State appropriated \$900,000 to OIT for the implementation of its Data Center Consolidation initiative. Data centers typically house mainframes, network infrastructure, servers, and storage devices, along with the backup power systems and environmental controls necessary to ensure efficient operations and prevent systems failure. Currently, several agencies host their own data centers, and a section of OIT's data center facility houses its print operations. Through this initiative, OIT will move its print operations into a separate facility and incorporate several agency data centers into its own. This will allow OIT to utilize its entire raised floor data center space for its intended use and limit the need for agencies to build their own.

Due to the Data Center Consolidation initiative, the Departments of Transportation, Human Services, and Treasury were able to forego building their own new or expanded data centers, at an estimated cost avoidance of at least \$2.5 million. Moreover, the data center space at those agencies can be converted back

into office space. Following initial infrastructure improvements at its data center facility, OIT will begin incorporating several agency data centers in early fiscal 2009. Overall, this initiative will increase operational efficiency by pooling available infrastructure, resources, and personnel, thus improving the maintenance of the State's critical networking, data storage, and application management needs. This will also allow the agencies to take greater advantage of the State's disaster recovery capabilities.

Medicaid: Day-Specific Eligibility

By issuing plastic identification cards to all Medicaid beneficiaries, the Department of Human Services no longer has to wait until month's end to deny coverage to those who exceed eligibility requirements. By denying coverage to ineligible beneficiaries before month's end, the State will save \$2.8 million beginning January 1, 2009. This savings will annualize to \$5.5 million in fiscal 2010.



CHAPTER 4: REVENUE FORECASTS

Fiscal 2009 Revenue Projections

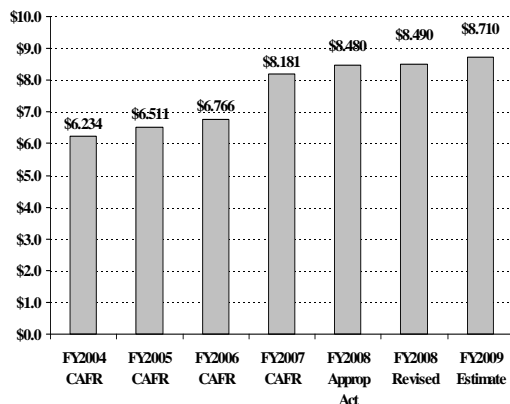
Total revenues for fiscal 2009 are expected to be \$32.5 billion, which is \$497 million or approximately 1.6% above the revised fiscal 2008 anticipated levels. Base revenues are expected to grow moderately in fiscal 2009. Most economic indicators for the nation and New Jersey are projected to be softer in 2008 than they were in 2007, but show some improvement in 2009.

Sales Tax

The forecast of \$8.7 billion in Sales Tax revenue for fiscal 2009 is an increase of \$220 million over the revised fiscal 2008 level. The basic underlying growth rate of 2.5% reflects anticipated slower growth in wages and business investment in calendar years 2008 and 2009.

SALES TAX

(In Billions)



FY2007 had a change in tax policy.
 - increase in Sales Tax rate from 6% to 7%
 - broadened Sales Tax base

Sales Tax excludes the tax on energy
 CAFR – Comprehensive Annual Financial Report

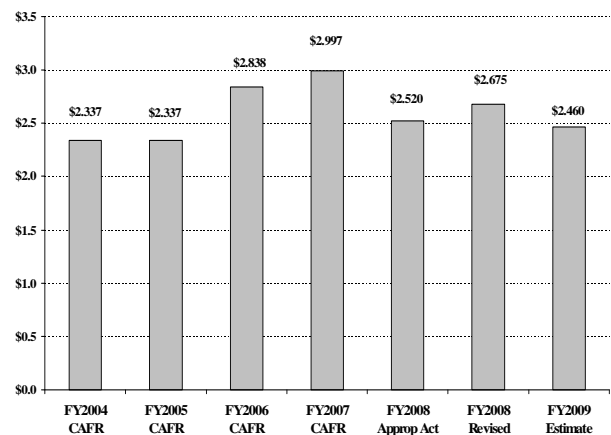
Corporation Business Tax

The fiscal 2009 Corporation Business Tax (CBT) revenue forecast of \$2.5 billion represents a decrease of \$215 million (8%), compared with the revised

fiscal 2008 level. This net downward revision is the result of losses due to: the expiration of the Alternative Minimum Assessment or AMA (-\$76 million); and fully phasing-in full net operating loss (NOL) deductibility (-\$20 million). It also assumes slower growth in payments for calendar year 2008 associated with the anticipated slowdown in corporate pre-tax profit growth. Pre-tax profit growth is projected around 4% for 2007, followed by a 15% decline in 2008.

CORPORATION BUSINESS TAX

(In Billions)



Corporation Business Tax excludes the tax on energy
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Gross Income Tax

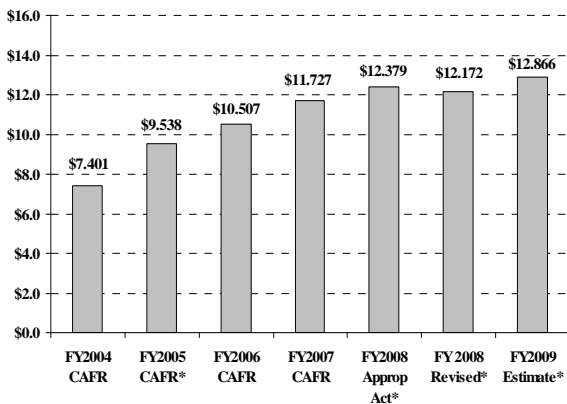
The fiscal 2009 forecast of \$12.9 billion is an increase of \$694 million over the revised fiscal 2008 level. This forecast includes a \$60 million decline, to take into account the expansion of the New Jersey Earned Income Tax Credit (EITC). The basic underlying growth rate of 5.6% over the revised fiscal 2008 level reflects the weakening income growth trends and the probability of a softer financial market. New Jersey Total Income, which is the tax base, increased by 9.6% and 7.7% in tax years 2005 and 2006, respectively. The tax base is projected to grow by 5.9% in tax year 2007 and 1.9% in tax year 2008,

reflecting the outlook for personal income anticipated by a number of independent economic forecasting services. Households reporting over \$100,000 in total income account for almost 85% of the income tax revenue. Growth in income for these households is expected to increase 9.7% in tax year 2007; followed by a slowdown to around 3% in tax year 2008 before improving to around 7.5% in tax year 2009. These increases are well below the double-digit average annual growth rate of 13% experienced in the 2004-2006 expansionary period, following the last economic recession.

The eligibility requirements for the New Jersey EITC have changed-- beginning with tax year 2007 the benefits are available to all taxpayers who are eligible for the federal credit. The percentage used to calculate the expanded NJEITC program was increased from 20% in tax year 2007 to 22.5% of the applicant's federal earned income tax credit for tax year 2008. This is slated to increase further to 25% of the federal earned income credit for tax year 2009 and beyond.

GROSS INCOME TAX

(In Billions)



*These revenues include changes in tax policy.
 FY 2005 – Tax rate increase on incomes of \$500,000 or greater
 FY 2008 – EITC Expansion (AA - \$36 million; Revised - \$40 million)
 FY 2009 – EITC Expansion (\$60 million)

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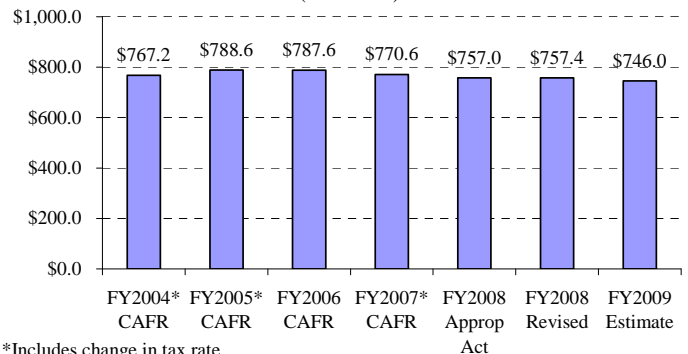
Cigarette Tax

For fiscal 2009, the gross cigarette tax collections are estimated to be \$746 million. This estimate assumes an approximate 1.5% decline in consumption from the revised fiscal 2008 estimate for gross collections. From the fiscal 2009 gross collections, \$370 million

is dedicated to the Health Care Subsidy Fund to assist hospitals with charity care and other uncompensated care disproportionate share payments. Also, \$148 million has been pledged to bondholders with the issuance of the Cigarette Tax Revenue Bonds, Series 2004. The remaining funds of \$228 million are available to support the General Fund.

CIGARETTE TAX GROSS COLLECTIONS

(In Millions)



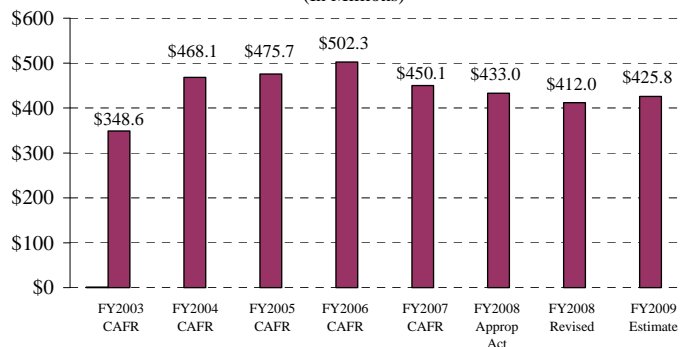
*Includes change in tax rate.
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Casino Revenue

The fiscal 2009 Casino Revenue forecast of \$426 million represents an increase of \$14 million over the revised fiscal 2008 level. Fiscal 2008 has been revised downward from \$433 million anticipated at the time of the FY2008 Appropriations Act to \$412 million. The decline in casino revenue for fiscal 2008 is primarily due to increased regional slot machine competition; the partial smoking ban; a statutory reduction in the Comp Tax; and a reduction in Room Fees, due to debt service requirements on bonds supported by Room Fees. For fiscal 2009, there are three major hotel expansions that are expected to boost room capacity and casino revenues.

CASINO REVENUE

(In Millions)



FY 2009 Budget Highlights

Budget spends \$500 million less than the current budget.

Budget includes \$2.7 billion in actions to reduce spending to offset growth areas.

Budget reduces the size and cost of government by \$350 million through reductions in workforce, consolidation of departments and other actions.

Every Executive branch department operating budget is reduced.

Budget increases bring total funding for property tax relief to \$16.7 billion – approximately 50% of the budget.

Budget protects core responsibilities of government – educating our children; providing public safety; and caring for the most vulnerable.

Budget dramatically reduces the gap between recurring revenues and recurring expenses by significantly reducing one time revenues from \$1.8 billion to less than \$600 million.

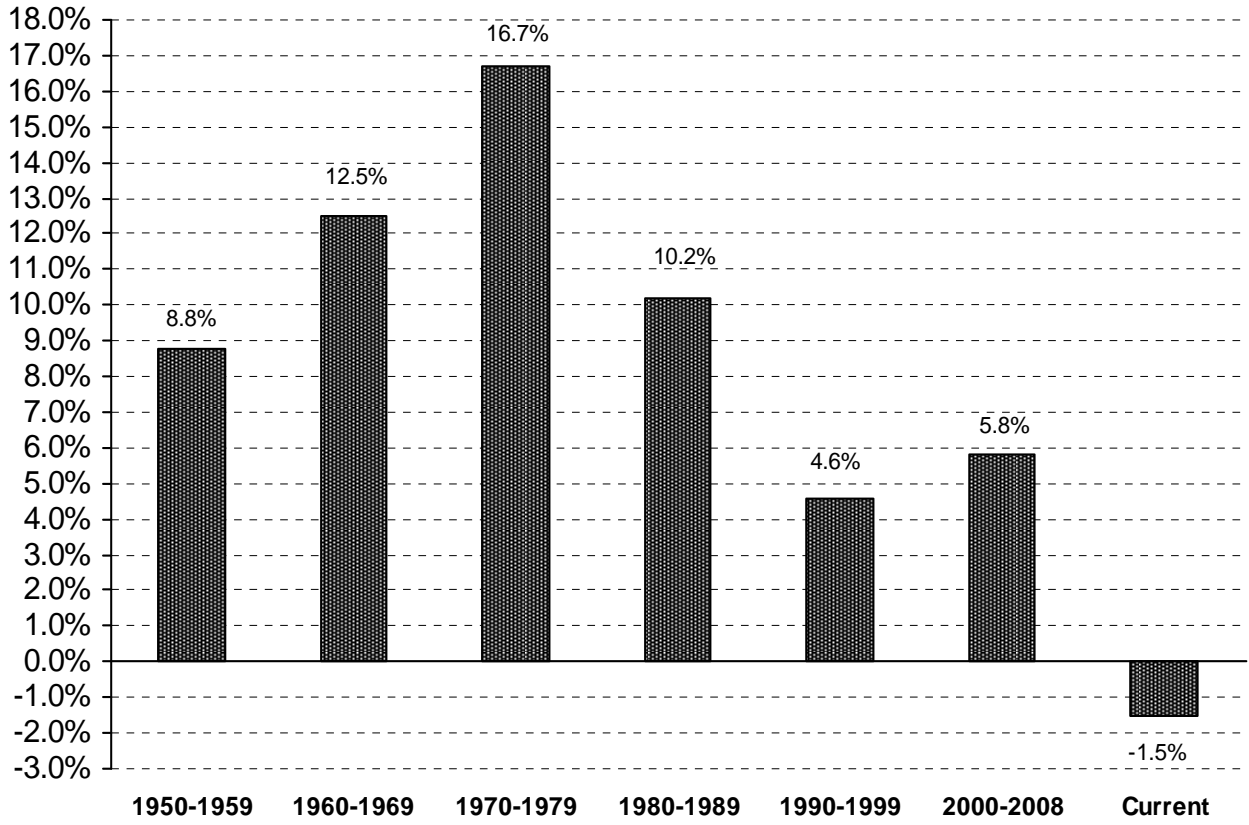
Budget does not include any new or increased taxes.

The FY 2009 Budget

(In Millions)

	FY 2008		FY 2009		Change	
	Adjusted Approp		Budget		\$	%
Opening Surplus	\$	2,588	\$	1,434	\$ (1,154)	(44.6)
Revenues						
Income		12,212		12,926	714	5.8
EITC Expansion		(40)		(60)	(20)	50.0
Sales		8,490		8,710	220	2.6
Corporate		2,675		2,460	(215)	(8.0)
Other		8,635		8,433	(202)	(2.3)
Total Revenues	\$	31,972	\$	32,469	497	1.6
Lapses		493				
Total Resources	\$	35,053	\$	33,903	\$ (1,150)	(3.3)
Appropriations						
Original	\$	33,471	\$	32,969	(502)	(1.5)
Supplemental		148				
Total Appropriations	\$	33,619	\$	32,969	\$ (650)	(1.9)
Fund Balance	\$	1,434	\$	600		
Long Term Obligation and Capital Expenditure Fund			\$	334		

Average Change in Budgets Over Almost 6 Decades



Data compares Recommended Budget to the Prior Fiscal Year's Appropriations Act

FY 2008 Revenues

(In Millions)

	FY2007 CAFR	FY2008 Approp. Act Revenues	FY2008 Adjusted Revenues	Change to CAFR	
				\$	%
Income	\$ 11,727	\$ 12,379	\$ 12,172	\$ 445	3.8
Sales	8,181	8,480	8,490	309	3.8
Corporate	2,997	2,520	2,675	(322)	(10.7)
Other*	<u>8,304</u>	<u>8,497</u>	<u>8,635</u>	<u>331</u>	4.0
Total	<u>\$ 31,209</u>	<u>\$ 31,876</u>	<u>\$ 31,972</u>	<u>\$ 763</u>	2.4

* All Sales Tax and Corporation Business Taxes on Energy are included in Other.

FY 2009 Revenues

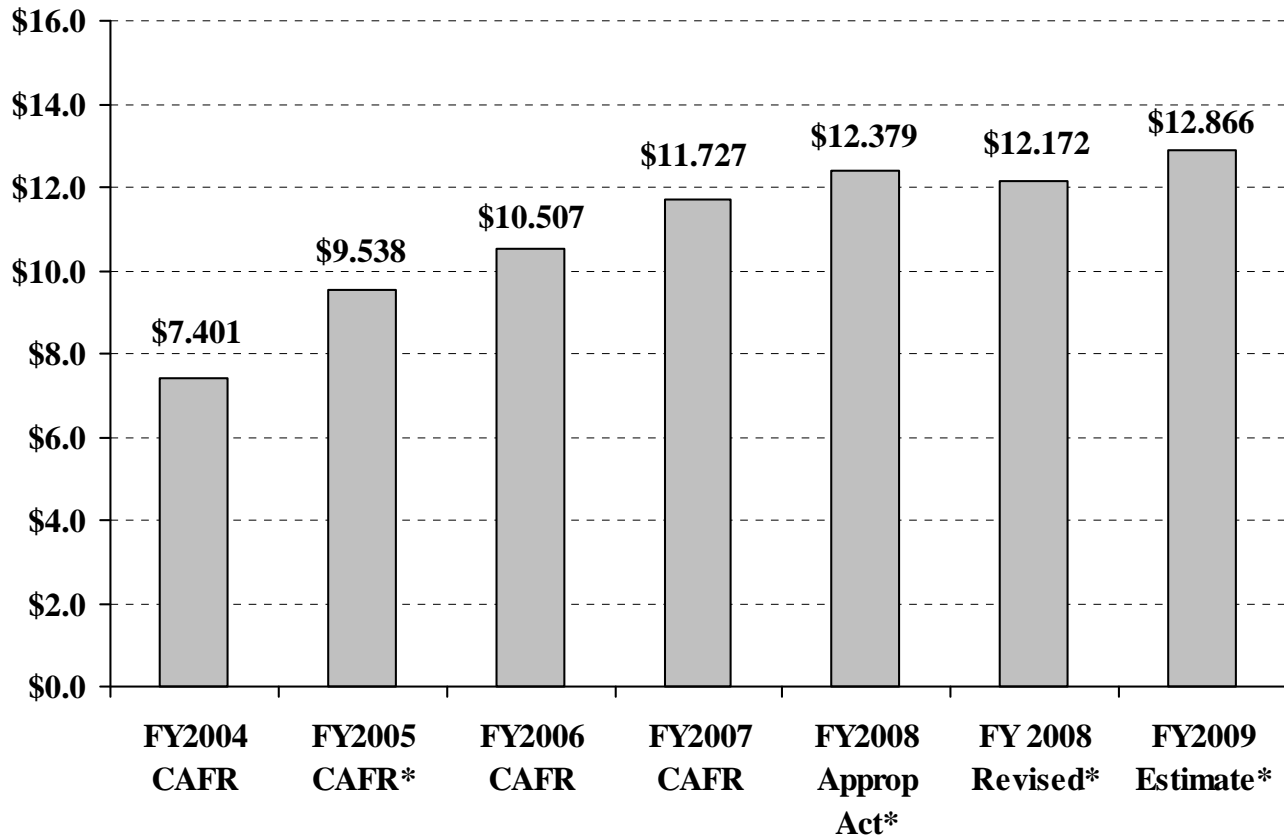
(In Millions)

	FY2008 Adjusted Revenues	FY2009 Budget	Change	
			\$	%
Income	\$ 12,172	\$ 12,866	\$ 694	5.7
Sales	8,490	8,710	220	2.6
Corporate	2,675	2,460	(215)	(8.0)
Other*	<u>8,635</u>	<u>8,433</u>	<u>(202)</u>	(2.3)
Total	<u>\$ 31,972</u>	<u>\$ 32,469</u>	<u>\$ 497</u>	1.6

* All Sales Tax and Corporation Business Taxes on Energy are included in Other.

GROSS INCOME TAX

(In Billions)



*These revenues include changes in tax policy.

FY 2005 – Tax rate increase on incomes of \$500,000 or greater

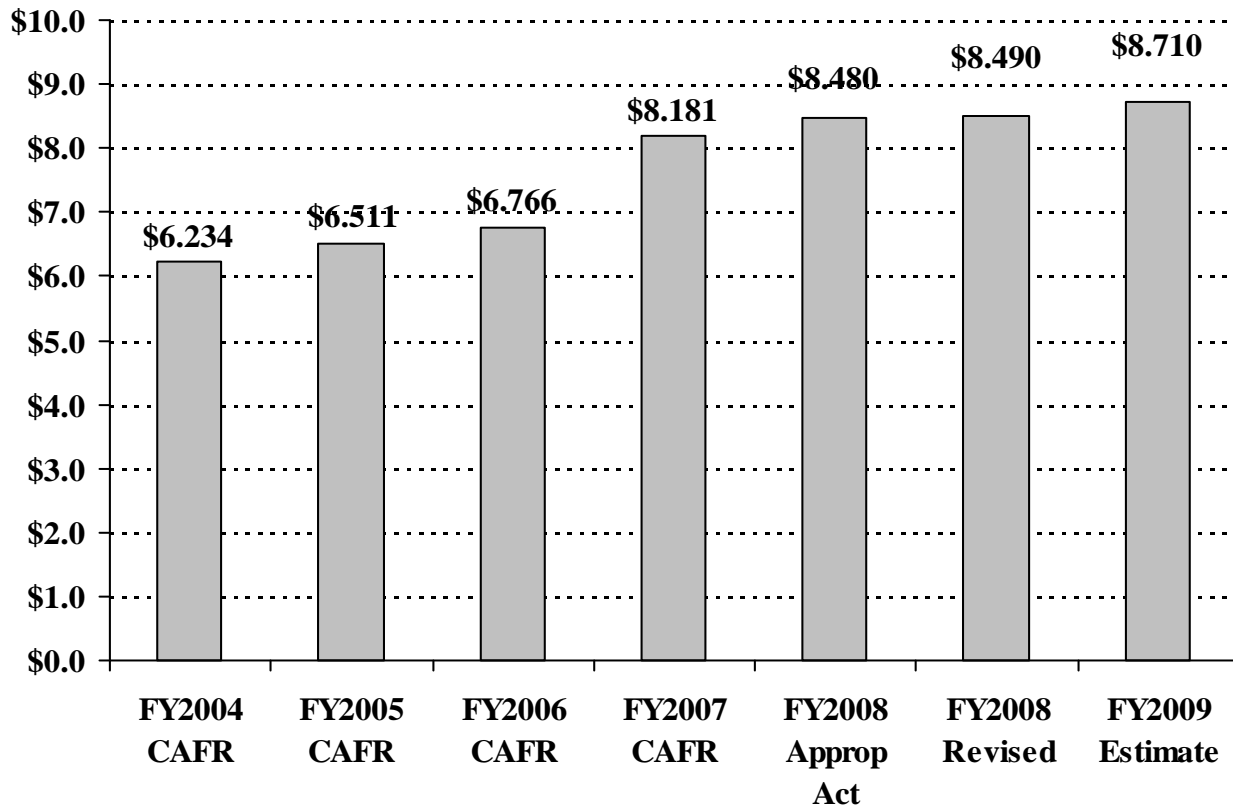
FY 2008 – EITC Expansion (AA - \$36 million; Revised - \$40 million)

FY 2009 – EITC Expansion (\$60 million)

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SALES TAX

(In Billions)



FY2007 had a change in tax policy.

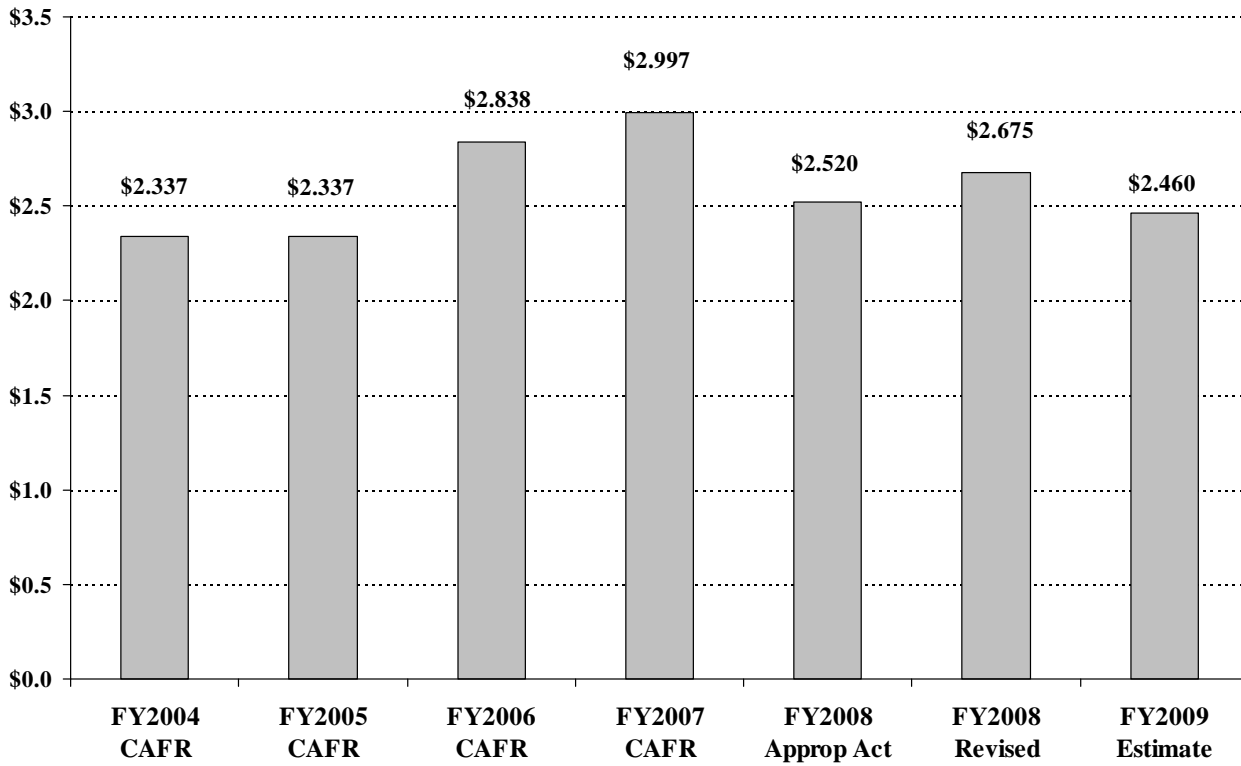
- increase in Sales Tax rate from 6% to 7%
- broadened Sales Tax base

Sales Tax excludes the tax on energy

CAFR – Comprehensive Annual Financial Report

CORPORATION BUSINESS TAX

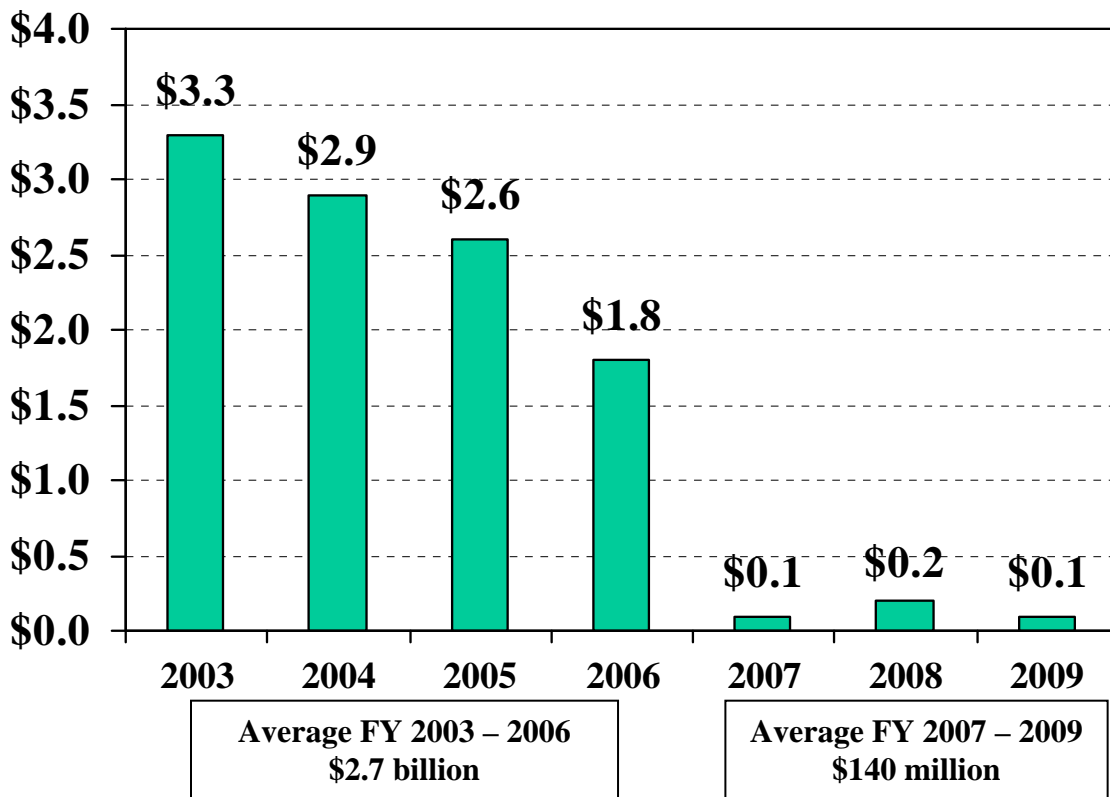
(In Billions)



Corporation Business Tax excludes the tax on energy
 CAFR – Comprehensive Annual Financial Report

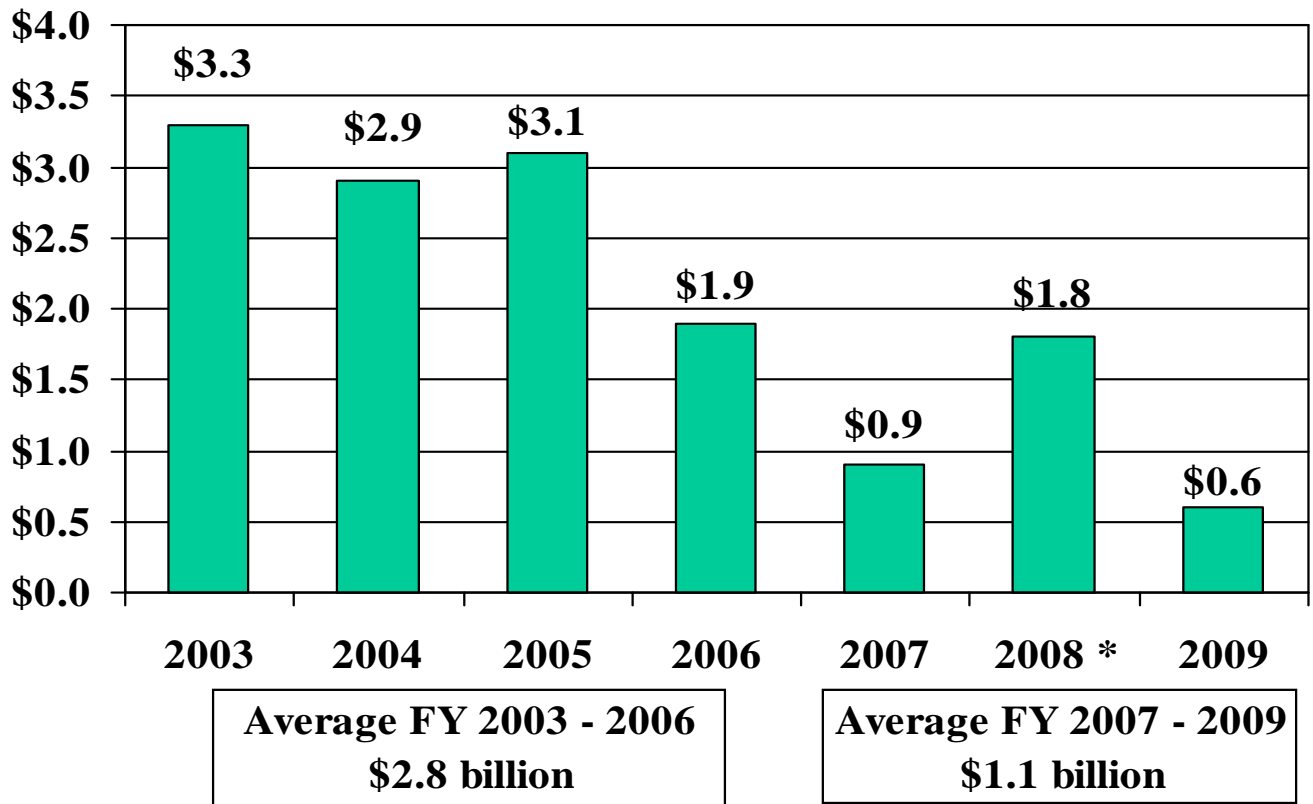
Diversions from Dedicated Funds Down by 96% Compared to FY 2003 – FY 2006

(In Billions)



Diversions from Dedicated Funds and Prior Year Surpluses

(In Billions)



* Includes \$650 million of deferred Sales Tax revenue

Diversions from Dedicated Funds Down by 96%

Compared to FY 2003 - FY 2006

(In Millions)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Gov Budget FY 2009
Tobacco Securitization	\$ 1,557	\$ 1,612	\$ -	\$ -	\$ -	\$ -	\$ -
New Revenue Securitization	-	-	1,930	-	-	-	-
Unemployment Insurance Fund	325	325	100	350	-	-	-
Millionaire's Tax - Retroactive Impact	-	-	156	-	-	-	-
Federal Stimulus	106	433	-	-	-	-	-
PAAD Waiver	147	148	-	-	-	-	-
CBT Accelerated Payments	651	-	-	-	-	-	-
Car Registration Acceleration	-	-	16	22	22	6	-
Unclaimed Property	100	-	-	-	-	-	-
State Disability Fund	-	30	110	-	50	75	-
Securities Enforcement Collections	-	10	2	-	-	-	-
Real Estate Guarantee	-	1	-	-	-	-	-
NJ Redevelopment Authority	-	9	-	-	-	-	-
Hotel Revenue State Share	-	25	-	-	-	-	-
Economic Development Authority	-	30	2	2	-	-	-
Toll Road Revenue TTF	22	22	-	-	-	-	-
Catastrophic Illness in Children Relief Fund	-	4	-	-	-	-	-
Drug Enforcement Demand Reduction	4	3	1	2	1	2	1
Educational Facilities Authority	-	-	2	-	-	-	-
Federal TANF Balances	70	86	18	-	-	-	-
VOI/TIS Federal Funds	12	13	-	-	-	-	-
Cash Management Fund	20	-	-	12	-	-	-
Free Public Schools	25	-	-	-	-	-	-
Meadowlands Commission	62	-	-	-	-	-	-
Sanitary Landfill Contingency	6	6	-	-	-	-	-
Second Injury Fund	20	-	-	5	-	-	-
Surplus Lines	43	-	-	-	-	-	-
UMDNJ Self Insurance Fund	77	-	-	-	-	-	-
UEZ Balances	37	-	-	-	-	-	-
Mutual Workers' Compensation Fund	-	-	5	-	-	-	-
Petroleum Surcharge Fund	-	-	-	5	-	-	-
PAAD / ADDP Rebate Receivable	-	-	-	56	-	-	-
PAAD Medicare D Administration	-	-	-	5	-	-	-
Bond Refinancing	-	-	-	150	-	-	-
Benefit Enhancement Fund / Pensions	-	126	265	385	-	-	-
Asset Sales	-	-	-	200	-	-	-
Family Care **	-	-	-	-	-	-	55
Tobacco Settlement Fund	-	-	-	10	13	-	-
New Home Warranty Security Fund	-	-	-	20	-	-	-
Phase-out of Casino Comps	-	-	-	43	-	-	-
Public Records Preservation Fund	-	-	-	5	-	10	-
G.O. / Bldg. Authority Refinance Savings	-	-	-	266	-	-	-
Health Benefits / Rx Fund Balance	-	-	-	60	-	-	-
Health Care Subsidy Fund	-	-	-	-	-	12	6
Passaic River Litigation - Spill Fund	-	-	-	-	-	-	6
Higher Education Capital Improvement Fund	-	-	-	-	-	-	1
Market Transition Facility	-	-	-	-	-	11	-
Supplemental Workforce Fund	-	-	-	-	-	6	-
Cigarette Tax Revenue (Non-Pledged)	-	-	-	-	-	42	-
Cigarette and MVC Revenues	-	-	-	243	-	-	-
Tobacco Settlement Debt Restructuring	-	-	-	-	-	56	-
Fund Shifts (various)	-	-	-	-	44	-	-
Total, Dedicated fund Diversions	\$ 3,284	\$ 2,883	\$ 2,607	\$ 1,841	\$ 130	\$ 220	\$ 69
General Fund Surplus *	15	-	463	44	794	1,597	500
Grand Total ***	\$ 3,299	\$ 2,883	\$ 3,070	\$ 1,885	\$ 924	\$ 1,817	\$ 569

Comparing Approp Act to Approp Act

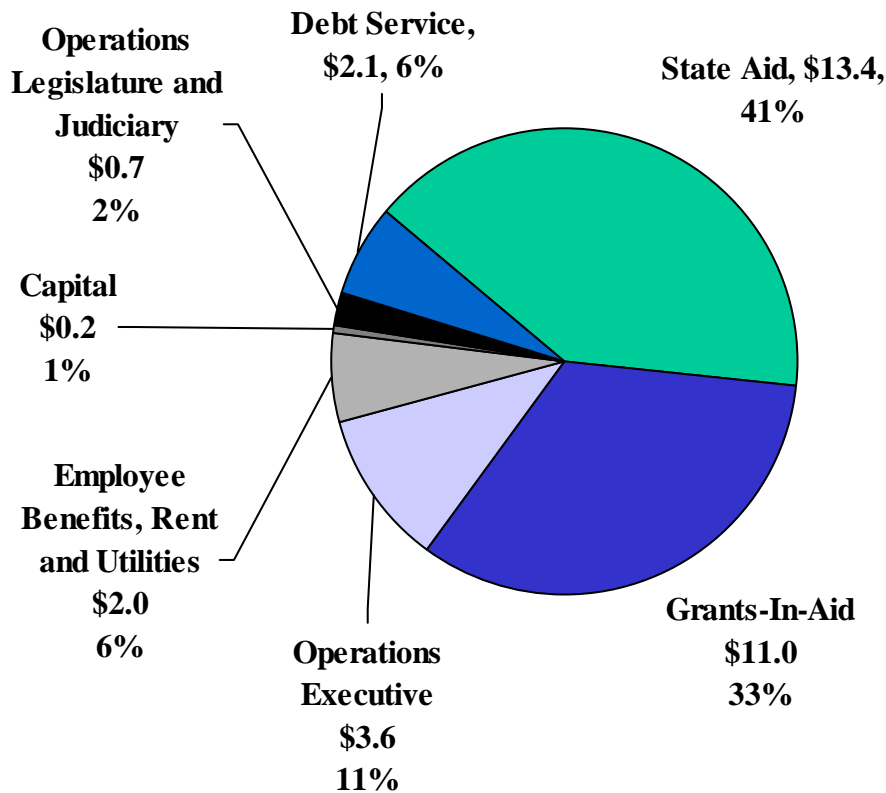
* Of the FY 2007 amount, \$650 million was related to Sales Tax Revenue deferred for Property Tax Relief purposes.

** FY 2008 Budget assumed federal funding shortfall which did not materialize.

*** Certain actions reflected on past versions of this chart were removed if the diversion was maintained for at least three years and is expected to continue.

Where Does the Money Go – State Aid and Grants Represent Nearly Three Quarters of the Budget

(In Billions)



Total Debt Service \$2.7 billion; School Construction Debt Service is reflected in State Aid

Total Budget is \$33 Billion

Nearly three quarters of every dollar goes to Property Tax Relief and Grants in Aid

State Aid: includes Education Aid programs, Municipal Aid, Property Tax Relief programs, General Assistance, and Aid to County Colleges.

Grant-In-Aid: includes Property Tax Relief programs, Medicaid, Pharmaceutical Assistance for the Aged and Disabled, Nursing Home and long-term care alternative programs, and support for Higher Education.

Operations Executive: includes funding for adult prisons and juvenile facilities, State Police and other Law Enforcement programs, Human Services institutions, Veterans Homes, and the new Children and Families and the Public Advocate Departments.

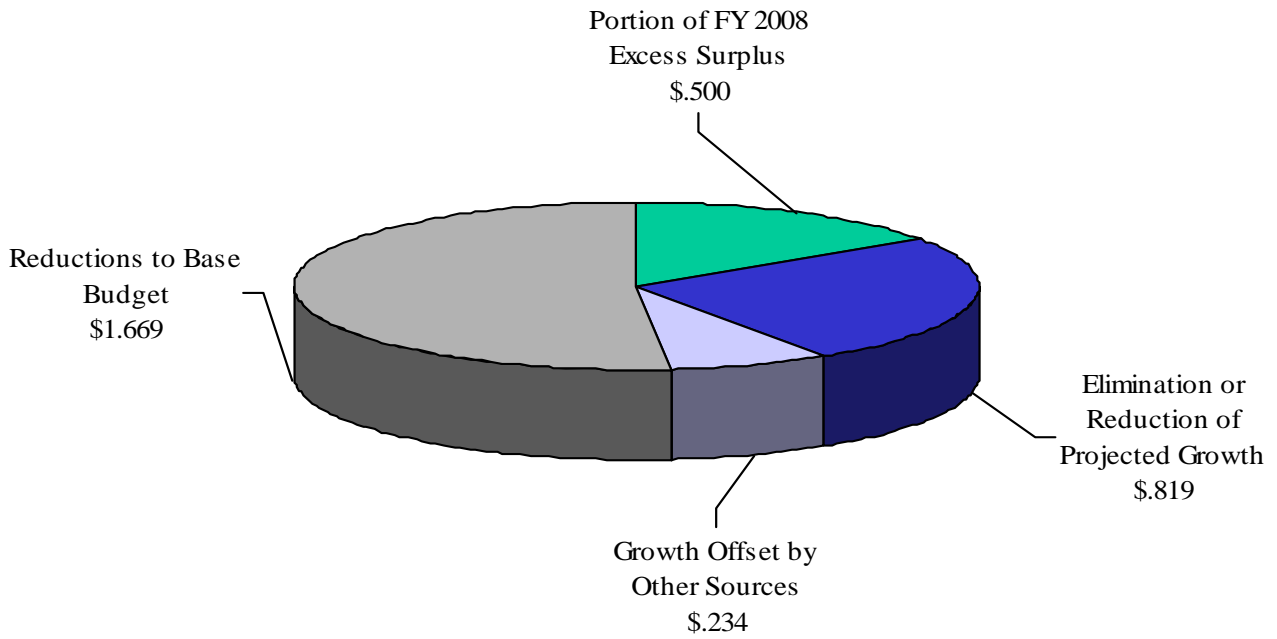
How FY 2009 Budget Balanced

(In Thousands)

FY 2008 Adjusted Appropriation	\$33,619,339
FY 2009 Growth Net	2,071,435
Total Projected FY 2009 Model	35,690,774
FY 2009 Base Revenue	32,468,603
FY 2009 Projected Structural Gap	3,222,171
ACTIONS TO CLOSE STRUCTURAL GAP	\$3,222,171
Use of portion of FY 2008 excess surplus	500,000
Elimination or reduction of projected growth	819,220
Growth offset by other sources	233,985
Reductions to base budget	1,668,966
Operating budget and Interdepartmental	324,140
Homeowner and Tenant Rebates	519,000
Municipal and County Aid	202,195
Hospitals	143,500
Medicaid/Family Care/PAAD	177,801
Higher Education	132,956
Other	169,374

FY2009 Actions to Close the Gap

(In Billions)



Total \$3.2 billion

FY 2009 Deferrals/Decreases

(In Millions)

DEFERRALS

Pension Contribution *	\$403.4
No Inflation for Municipal Aid	82.0
No New Community Provider COLA for 2009	42.4
Reduce NJ Transit Increase	40.0
No Growth in Higher Education Operating	32.3

DECREASES

Employee Related Savings/Operating	\$324.1
Homeowner Rebates	345.0
Tenant Rebates	127.0
Municipal Aid	189.8
Hospital Reductions	143.5
NJ FamilyCare (due to increased federal funds)	80.0
College and University Operating Support (net of salary contract funding)	76.0
Savings from Enhanced Medicaid Fraud Prevention	28.0
Savings from Smarter Procurements	25.0
Garden State Preservation Trust Bridge Funding	25.0
State Police Rural Patrol	20.5

* Assumed 65% funding level. However, full funding would have been a \$1.2 billion increase.

Includes only amounts above \$20 million

FY 2009 Increases

(In Millions)

School Aid (excludes school construction)	\$555.6
School Construction Debt Service	58.5
Developmentally Disabled/Mental Health Community Programs	60.9
NJ Transit	60.0
Annualization of January 2008 Provider COLA	40.6
Active and Retiree Health Care and Pensions	28.0
Business Employment Incentive Program Grants	27.0
Senior/Disabled Citizens' Property Tax Freeze	16.0
State Rental Assistance Program	15.0
Tuition Assistance Grants	14.9

Includes only a sampling of increases

Funding for Property Tax Relief

(In Millions)

<u>Programs</u>	<u>FY2008 Adjusted Approp.</u>	<u>FY2009 Budget</u>	<u>\$ Change</u>
School Aid	\$ 10,930.2	\$ 11,544.3	\$ 614.1
Municipal Aid	1,996.8	1,807.2	(189.6)
Other Local Aid	842.2	826.8	(15.4)
Direct Taxpayer Relief	<u>2,850.0</u> *	<u>2,514.0</u>	<u>(336.0)</u>
Total Direct Aid	<u>\$ 16,619.2</u>	<u>\$ 16,692.3</u>	<u>\$ 73.1</u>

* Reflects fiscal 2008 expended

Direct Property Tax Relief
(In Millions)

	FY2008 Adjusted Approp.		FY2009 Budget	\$ Change
Homestead Property Tax Credits/Rebates for Homeowners	\$ 1,850.0	**	\$ 1,593.0	\$ (257.0)
Homestead Rebates for Tenants	248.0	**	124.0	(124.0)
Senior/Disabled Citizens Property Tax Freeze	153.0		169.0	16.0
Property Tax Deduction Act	502.0		536.0	34.0
Municipal Reimbursement - Veterans' Tax Deductions	75.0		71.5	(3.5)
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	22.0		20.5	(1.5)
Total Direct Property Tax Relief	\$ 2,850.0		\$ 2,514.0	\$ (336.0)

**Reflects fiscal 2008 expended

School Aid

(In Millions)

	FY2008 Adjusted Approp.	FY2009 Budget	\$ Change
Formula Aid	\$ 7,265.4	\$ 7,780.0	\$ 514.6
Preschool Programs	516.9	543.8	26.9
Nonpublic School Aid	104.7	104.7	-
Other Aid	123.7	116.4	(7.3)
Total Direct School Aid	\$ 8,010.7	\$ 8,544.9	\$ 534.2
Teachers' Pension and Annuity Fund	\$ 692.3	\$ 693.3	\$ 1.0
Post Retirement Medical	751.1	750.1	(1.0)
Debt Service on Pension Obligation Bonds	103.5	112.5	9.0
Teachers' Social Security	717.2	739.6	22.4
Total Direct State Payments for Education	\$ 2,264.1	\$ 2,295.5	\$ 31.4
School Construction and Renovation Fund	\$ 542.4	\$ 600.9	\$ 58.5
Debt Service Aid	113.0	103.0	(10.0)
Total School Building Aid	\$ 655.4	\$ 703.9	\$ 48.5
Total School Aid	\$ 10,930.2	\$ 11,544.3	\$ 614.1

Municipal Aid

(In Millions)

	FY2008 Adjusted Approp.	FY2009 Budget	\$ Change
Consolidated Municipal Property Tax Relief Aid (CMPTRA)	\$ 835.4	\$ 773.4	\$ (62.0)
Energy Tax Receipts Property Tax Relief Aid	788.5	788.5	-
Special Municipal Aid	153.0	145.4	(7.6)
Trenton Capital City Aid	37.5	35.6	(1.9)
Municipal Efficiency Promotion Aid Program	34.8	-	(34.8)
Extraordinary Aid	34.0	32.3	(1.7)
2008 Municipal Property Tax Assistance	32.6	-	(32.6)
Municipal Homeland Security Assistance	32.0	-	(32.0)
Consolidation Fund / SHARE *	19.2	10.0	(9.2)
Highlands Protection Fund Aid	12.0	12.0	-
Open Space - Payment In Lieu of Taxes (PILOT)	9.8	10.0	0.2
Regional Efficiency Aid Program (REAP)	8.0	-	(8.0)
Total Direct Municipal Aid	\$ 1,996.8	\$ 1,807.2	\$ (189.6)

* FY 2008 will carryforward \$22 million

Higher Education

(In Millions)

	FY2008 Adjusted Approp.	FY2009 Budget	Change	
			\$	%
Colleges and Universities				
Senior Public Colleges and Universities	\$ 1,499.9	\$ 1,436.7	\$ (63.2)	(4.2)
County Colleges	233.1	221.6	(11.5)	(4.9)
Independent Colleges and Universities	20.4	18.4	(2.0)	(10.0)
Student Financial Assistance	268.3	282.1	13.8	5.2
Educational Opportunity Fund	40.6	40.6	-	-
Facility and Capital Improvement Programs	93.4	88.1	(5.3)	(5.7)
Other Programs	18.1	10.7	(7.4)	(41.1)
Total Higher Education	\$ 2,173.8	\$ 2,098.2	\$ (75.6)	(3.5)

Higher Education

(In Millions)

	FY2008 Adjusted Approp.	FY2009 Budget	\$ Change
Senior Public Institutions			
Rutgers University	\$ 328.6	\$ 290.6	\$ (38.0)
UMDNJ	231.1	208.7	(22.4)
NJIT	49.1	42.7	(6.4)
Thomas Edison State College	6.0	5.4	(0.6)
Rowan University	38.7	34.7	(4.0)
New Jersey City University	32.9	29.5	(3.4)
Kean University	42.5	38.1	(4.5)
William Paterson University	41.3	37.2	(4.1)
Montclair State University	48.6	43.7	(4.9)
College of New Jersey	37.0	33.3	(3.7)
Ramapo College of New Jersey	20.5	18.2	(2.2)
Richard Stockton College of New Jersey	25.1	22.6	(2.6)
Subtotal Senior Publics Direct Aid	\$ 901.4	\$ 804.6	\$ (96.8)
Senior Publics Salary Funding	-	38.5	38.5
Senior Publics Net Fringe Benefits	598.5	593.6	(4.9)
Total Senior Publics	\$ 1,499.9	\$ 1,436.7	\$ (63.2)
County Colleges			
Operating Support	\$ 163.4	\$ 147.1	\$ (16.3)
Fringe Benefits	34.5	34.5	--
Chapter 12 Debt Service	35.1	40.0	4.9
Total County Colleges	\$ 233.1	\$ 221.6	\$ (11.5)
Total Independent Colleges and Universities	\$ 20.4	\$ 18.4	\$ (2.0)
Student Financial Assistance			
Tuition Aid Grants (TAG)	\$ 230.2	\$ 245.1	\$ 14.9
Part-time TAG for County Colleges	5.5	6.0	0.5
NJSTARS I & II	13.8	14.7	0.9
EOF Grants and Scholarships	40.6	40.6	-
Loan Forgiveness for Mental Health Workers	3.5	3.5	-
Other Student Aid Programs	15.3	12.9	(2.4)
Total Student Financial Assistance	\$ 308.9	\$ 322.7	\$ 13.8
Other Programs			
Capital Grants and Facilities Support	\$ 93.4	\$ 88.1	\$ (5.3)
New Jersey Stem Cell Research Institute	5.5	-	(5.5)
All Other Programs	12.6	10.7	(1.9)
Total Other Programs	\$ 111.5	\$ 98.8	\$ (12.7)
Grand Total Higher Education	\$ 2,173.8	\$ 2,098.2	\$ (75.6)

Hospital Funding – State and Federal

(in Millions)

	FY08	FY09	Change
Charity Care/Health Care Stabilization Fund	\$716.0	\$608.0	(\$108.0)
Hospital Relief Offset Payments	203.0	183.0	(20.0)
Cancer Grants	66.5	46.0	(20.5)
Graduate Medical Education	60.0	50.0	(10.0)
Hospital Asset Transformation Program	-	15.0	15.0
TOTAL	\$1,045.5	\$902.0	(\$143.5)

State Budget

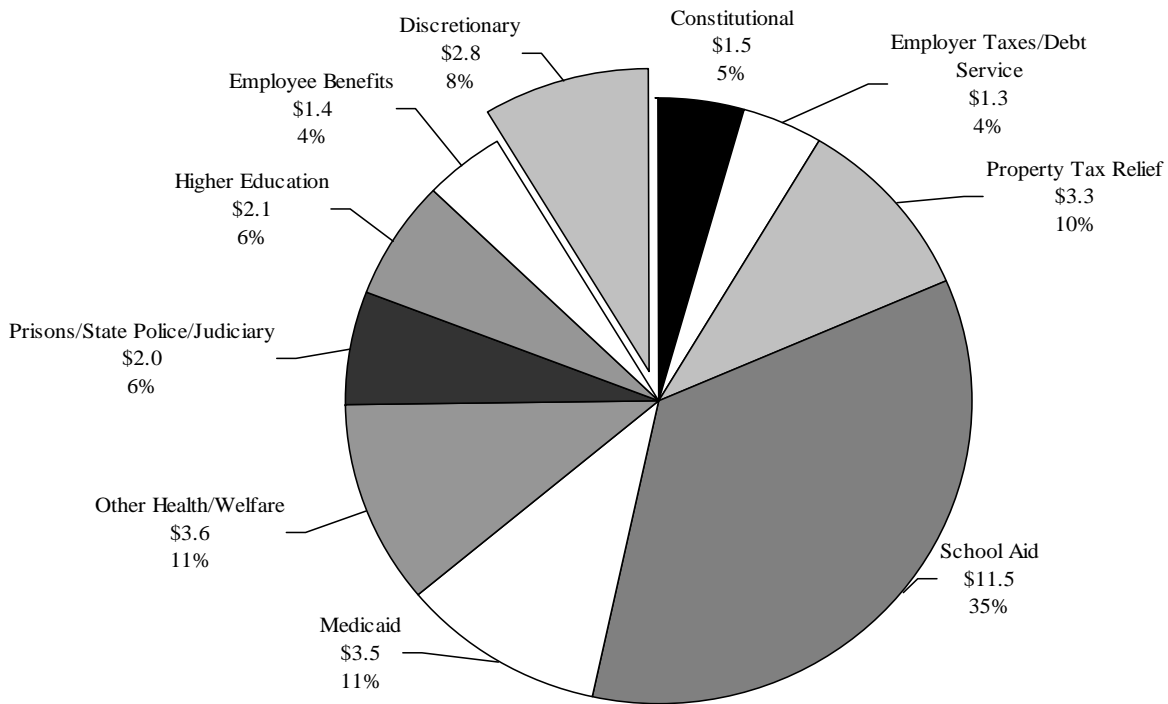
(In Thousands)

	FY 2008 Adjusted Appropriation	FY 2009 Budget	\$ Change	% Change
Chief Executive	\$ 5,428	\$ 5,293	\$ (135)	(2.5)
Agriculture	26,673	22,878	(3,795)	(14.2)
Banking and Insurance	72,127	70,340	(1,787)	(2.5)
Children and Families	1,080,910	1,075,703	(5,207)	(0.5)
Community Affairs	1,307,854	1,124,718	(183,136)	(14.0)
Corrections	1,184,028	1,149,298	(34,730)	(2.9)
Education	11,043,116	11,637,762	594,646	5.4
Environmental Protection	480,611	421,109	(59,502)	(12.4)
Health and Senior Services	1,746,340	1,566,128	(180,212)	(10.3)
Human Services	4,921,626	4,858,789	(62,837)	(1.3)
Labor and Workforce Development	138,670	138,367	(303)	(0.2)
Law and Public Safety	634,325	590,069	(44,256)	(7.0)
Military and Veterans' Affairs	96,677	93,447	(3,230)	(3.3)
Personnel	22,824	20,597	(2,227)	(9.8)
Public Advocate	20,357	17,466	(2,891)	(14.2)
State	1,344,252	1,229,820	(114,432)	(8.5)
Transportation/NJ Transit	1,333,979	1,368,622	34,643	2.6
Treasury	4,165,894	3,558,164	(607,730)	(14.6)
Miscellaneous Commissions	1,456	1,456	-	-
Subtotal Executive Branch	\$ 29,627,147	\$ 28,950,026	\$ (677,121)	(2.3)
Interdepartmental	\$ 3,286,553	\$ 3,306,741	\$ 20,188	0.6
Legislature	\$ 76,508	\$ 75,669	\$ (839)	(1.1)
Judiciary	629,131	636,167	7,036	1.1
Total	\$ 33,619,339	\$ 32,968,603	\$ (650,736)	(1.9)

Growth in Judiciary for incarceration diversion programs generates savings in the Department of Corrections, Grants in Aid.

Fiscal Year 2009

(In Billions)



Total Spending \$33 Billion

Direct State Services By Department

(In Thousands)

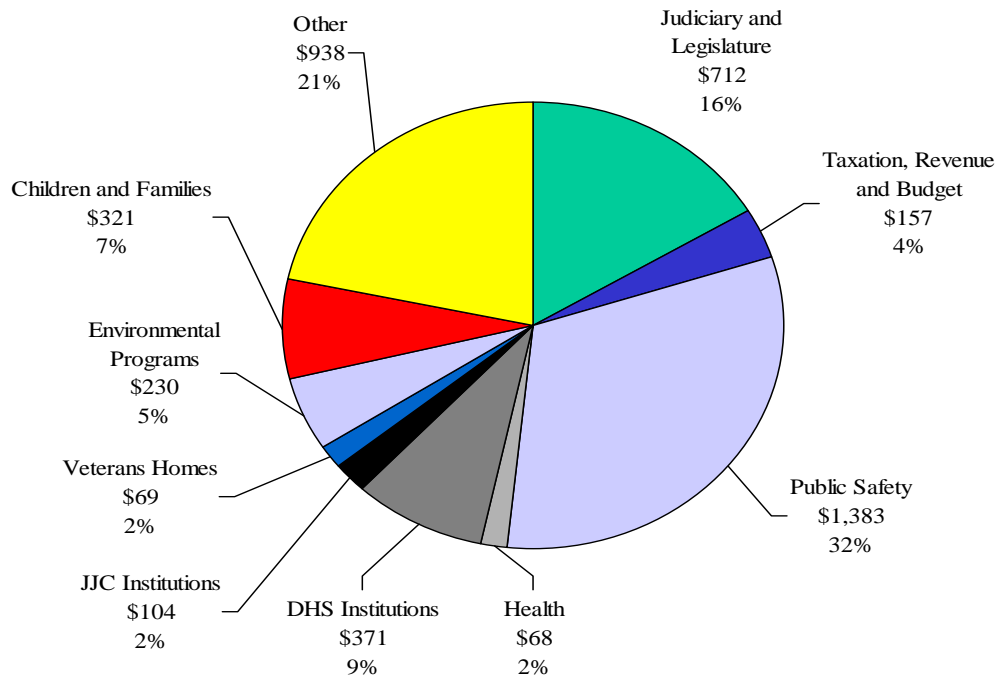
Department	FY2008	FY2009	Change	
	Adjusted Approp.	Budget	\$	%
Chief Executive	\$ 5,428	\$ 5,293	\$ (135)	(2.5)
Agriculture	9,721	7,930	(1,791)	(18.4)
Banking and Insurance	72,127	70,340	(1,787)	(2.5)
Children & Families	326,958	320,636	(6,322)	(1.9)
Community Affairs	40,991	39,574	(1,417)	(3.5)
Corrections	1,028,994	1,027,707	(1,287)	(0.1)
Education	78,410	74,998	(3,412)	(4.4)
Environmental Protection	249,653	230,046	(19,607)	(7.9)
Health & Senior Services	73,714	68,234	(5,480)	(7.4)
Human Services	515,948	475,962	(39,986)	(7.8)
Labor	64,973	64,881	(92)	(0.1)
Law & Public Safety	578,440	541,566	(36,874)	(6.4)
Military & Veterans' Affairs	92,315	90,273	(2,042)	(2.2)
Personnel	22,824	20,597	(2,227)	(9.8)
Public Advocate	20,357	17,466	(2,891)	(14.2)
State	41,759	35,564	(6,195)	(14.8)
Transportation	103,851	82,404	(21,447)	(20.7)
Treasury	505,709	466,184	(39,525)	(7.8)
Miscellaneous Commissions	1,456	1,456	-	-
Total Executive Branch	\$ 3,833,628	\$ 3,641,111	\$ (192,517)	(5.0)
Interdepartmental	2,138,643	2,153,528	14,885	0.7
Legislature	76,508	75,669	(839)	(1.1)
Judiciary	629,131	636,167	7,036	1.1
Total	\$ 6,677,910	\$ 6,506,475	\$ (171,435)	(2.6)

Departmental budgets will be further impacted by the Early Retirement Incentive (ERI) and other employee actions reflected in Interdepartmental, \$136 million, and procurement savings, \$25 million.

Growth in Judiciary for incarceration diversion programs generates savings in the Department of Corrections, Grants in Aid.

Operations Budgets

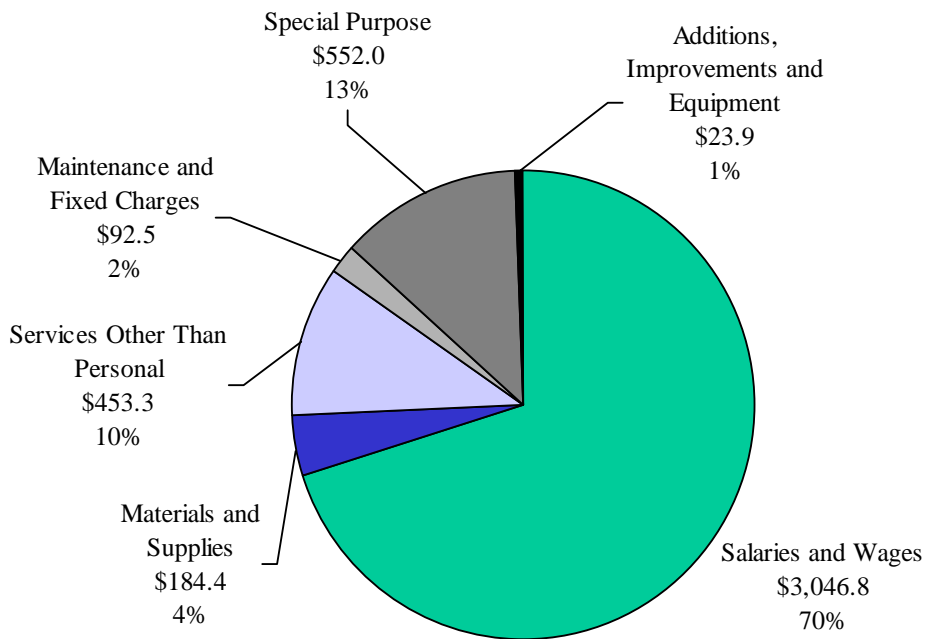
(In Millions)



Total Operating Budget is \$4.4 billion

Operating Split between Salaries and Other Costs

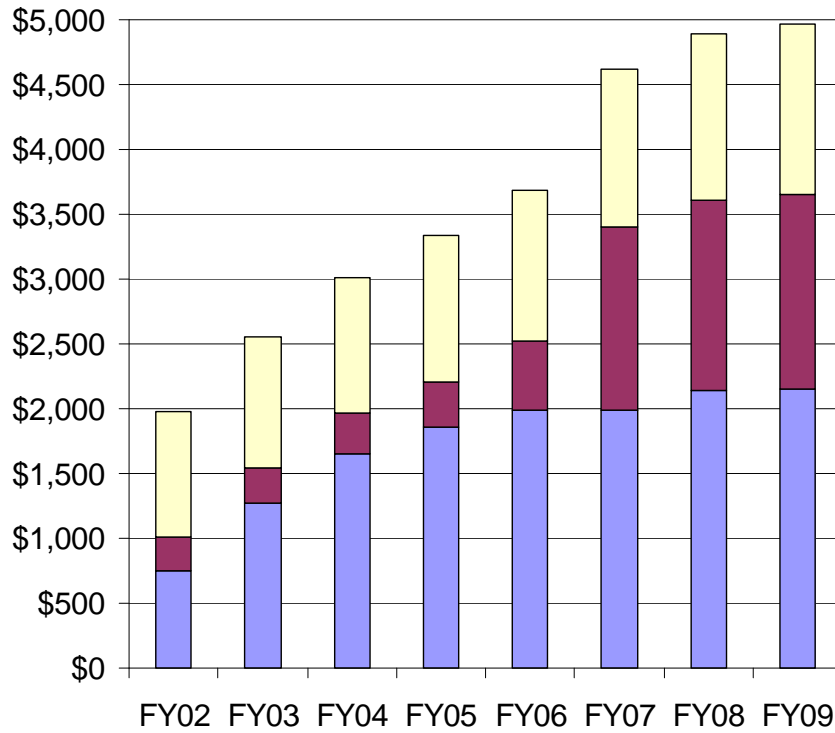
(In Millions)



Total Operating Budget is \$4.4 billion

Employee Benefit Costs

(In Millions)



■ Health Benefits/PRM ■ Pensions/Debt Service ■ Employer Taxes

Comparison of Budget Message to Adjusted Appropriation

<u>Fiscal Year</u>	<u>ORIGINAL BUDGET RECOMMENDATIONS</u>	<u>PRIOR YEAR ADJUSTED APPROPRIATION</u>	<u>\$\$ CHANGE</u>	<u>% % CHANGE</u>
2009	\$ 32,968.6	\$ 33,619.3	\$ (650.7)	-1.94%
2008	\$ 33,291.7	\$ 31,060.4	\$ 2,231.3	7.18%
2007	\$ 30,874.5	\$ 28,265.3	\$ 2,609.2	9.23%
2006	\$ 27,412.3	\$ 28,400.4	\$ (988.2)	-3.48%
2005	\$ 26,259.8	\$ 24,542.3	\$ 1,717.5	7.00%
2004	\$ 23,701.8	\$ 24,042.8	\$ (341.0)	-1.42%
2003	\$ 23,663.2	\$ 23,319.6	\$ 343.6	1.47%
2002	\$ 23,153.4	\$ 21,733.6	\$ 1,419.7	6.53%
2001	\$ 21,252.8	\$ 19,974.8	\$ 1,278.0	6.40%
2000	\$ 19,160.5	\$ 18,363.5	\$ 797.1	4.34%
1999	\$ 17,953.3	\$ 17,039.1	\$ 914.2	5.37%
1998	\$ 16,420.9	\$ 16,217.8	\$ 203.1	1.25%
1997	\$ 15,984.7	\$ 16,109.1	\$ (124.4)	-0.77%
1996	\$ 15,987.4	\$ 15,503.6	\$ 483.8	3.12%
1995	\$ 15,377.4	\$ 15,499.9	\$ (122.5)	-0.79%
1994	\$ 15,649.6	\$ 14,745.4	\$ 904.3	6.13%
1993	\$ 15,706.7	\$ 15,003.7	\$ 703.0	4.69%
1992	\$ 14,310.5	\$ 12,577.1	\$ 1,733.5	13.78%
1991	\$ 12,145.6	\$ 12,148.0	\$ (2.5)	-0.02%
1990	\$ 12,090.0	\$ 11,877.0	\$ 213.0	1.79%
1989	\$ 11,806.2	\$ 10,497.3	\$ 1,308.9	12.47%
1988	\$ 10,179.9	\$ 9,289.6	\$ 890.2	9.58%
1987	\$ 9,281.5	\$ 8,996.9	\$ 284.6	3.16%
1986	\$ 8,824.5	\$ 7,923.0	\$ 901.5	11.38%
1985	\$ 7,574.6	\$ 6,886.1	\$ 688.5	10.00%
1984	\$ 6,799.6	\$ 6,288.6	\$ 511.0	8.13%
1983	\$ 6,373.4	\$ 5,743.5	\$ 630.0	10.97%
1982	\$ 5,635.1	\$ 5,124.7	\$ 510.4	9.96%
1981	\$ 5,114.2	\$ 4,736.4	\$ 377.7	7.97%
1980	\$ 4,655.5	\$ 4,413.0	\$ 242.6	5.50%
1979	\$ 4,407.3	\$ 4,062.4	\$ 344.9	8.49%
1978	\$ 4,001.7	\$ 3,381.0	\$ 620.7	18.36%
1977	\$ 2,762.8	\$ 2,704.5	\$ 58.4	2.16%
1976	\$ 2,816.1	\$ 2,765.5	\$ 50.6	1.83%
1975	\$ 2,753.0	\$ 2,402.1	\$ 350.9	14.61%
1974	\$ 2,380.6	\$ 2,072.1	\$ 308.5	14.89%
1973	\$ 2,406.8	\$ 1,823.6	\$ 583.2	31.98%
1972	\$ 1,784.0	\$ 1,609.0	\$ 175.0	10.87%
1971	\$ 1,590.1	\$ 1,358.3	\$ 231.8	17.06%
1970	\$ 1,361.9	\$ 1,136.0	\$ 225.9	19.88%
1969	\$ 1,064.2	\$ 1,005.3	\$ 58.9	5.86%
1968	\$ 998.8	\$ 890.5	\$ 108.4	12.17%
1967	\$ 906.1	\$ 647.9	\$ 258.2	39.85%
1966	\$ 646.8	\$ 590.2	\$ 56.6	9.59%
1965	\$ 589.9	\$ 549.9	\$ 40.0	7.27%
1964	\$ 547.5	\$ 510.3	\$ 37.1	7.28%
1963	\$ 500.0	\$ 470.8	\$ 29.2	6.21%
1962	\$ 467.4	\$ 437.7	\$ 29.7	6.79%
1961	\$ 431.4	\$ 407.2	\$ 24.2	5.95%
1960	\$ 403.3	\$ 393.5	\$ 9.8	2.49%
1959	\$ 399.7	\$ 336.3	\$ 63.3	18.84%
1958	\$ 342.5	\$ 323.7	\$ 18.8	5.80%
1957	\$ 315.5	\$ 298.1	\$ 17.3	5.81%
1956	\$ 257.3	\$ 221.8	\$ 35.5	16.03%
1955	\$ 235.4	\$ 223.2	\$ 12.2	5.46%
1954	\$ 219.3	\$ 220.8	\$ (1.4)	-0.65%
1953	\$ 196.4	\$ 183.7	\$ 12.7	6.90%
1952	\$ 169.7	\$ 168.9	\$ 0.8	0.50%
1951	\$ 164.1	\$ 164.3	\$ (0.2)	-0.13%

Comparison of Budget Message to Prior Fiscal Year Appropriations Act

<u>Fiscal Year</u>	<u>ORIGINAL BUDGET RECOMMENDATIONS</u>	<u>PRIOR YEAR APPROPRIATIONS ACT</u>	<u>\$\$ CHANGE</u>	<u>% % CHANGE</u>
2009	\$ 32,968.6	\$ 33,470.9	\$ (502.3)	-1.50%
2008	\$ 33,291.7	\$ 30,818.7	\$ 2,473.0	8.02%
2007	\$ 30,874.5	\$ 27,919.9	\$ 2,954.6	10.58%
2006	\$ 27,412.3	\$ 28,027.3	\$ (615.0)	-2.19%
2005	\$ 26,259.8	\$ 24,003.2	\$ 2,256.6	9.40%
2004	\$ 23,701.8	\$ 23,401.7	\$ 300.1	1.28%
2003	\$ 23,663.2	\$ 22,920.7	\$ 742.5	3.24%
2002	\$ 23,153.4	\$ 21,419.7	\$ 1,733.7	8.09%
2001	\$ 21,252.8	\$ 19,514.4	\$ 1,738.4	8.91%
2000	\$ 19,160.5	\$ 18,123.8	\$ 1,036.8	5.72%
1999	\$ 17,953.3	\$ 16,786.6	\$ 1,166.7	6.95%
1998	\$ 16,420.9	\$ 15,977.8	\$ 443.0	2.77%
1997	\$ 15,984.7	\$ 15,994.6	\$ (9.9)	-0.06%
1996	\$ 15,987.4	\$ 15,280.7	\$ 706.7	4.63%
1995	\$ 15,377.4	\$ 15,466.9	\$ (89.6)	-0.58%
1994	\$ 15,649.6	\$ 14,625.5	\$ 1,024.1	7.00%
1993	\$ 15,706.7	\$ 14,651.5	\$ 1,055.2	7.20%
1992	\$ 14,310.5	\$ 12,423.8	\$ 1,886.7	15.19%
1991	\$ 12,145.6	\$ 11,995.0	\$ 150.6	1.26%
1990	\$ 12,090.0	\$ 11,775.1	\$ 314.9	2.67%
1989	\$ 11,806.2	\$ 10,396.5	\$ 1,409.7	13.56%
1988	\$ 10,179.9	\$ 9,279.4	\$ 900.5	9.70%
1987	\$ 9,281.5	\$ 8,681.2	\$ 600.3	6.92%
1986	\$ 8,824.5	\$ 7,693.3	\$ 1,131.2	14.70%
1985	\$ 7,574.6	\$ 6,771.8	\$ 802.8	11.86%
1984	\$ 6,799.6	\$ 6,181.7	\$ 617.9	10.00%
1983	\$ 6,373.4	\$ 5,691.3	\$ 682.1	11.99%
1982	\$ 5,635.1	\$ 5,107.1	\$ 528.0	10.34%
1981	\$ 4,736.4	\$ 4,652.1	\$ 84.4	1.81%
1980	\$ 4,655.5	\$ 4,394.4	\$ 261.2	5.94%
1979	\$ 4,407.3	\$ 4,010.6	\$ 396.6	9.89%
1978	\$ 4,001.7	\$ 2,853.3	\$ 1,148.4	40.25%
1977	\$ 2,762.8	\$ 2,698.1	\$ 64.7	2.40%
1976	\$ 2,816.1	\$ 2,756.1	\$ 60.0	2.18%
1975	\$ 2,753.0	\$ 2,385.7	\$ 367.3	15.40%
1974	\$ 2,380.6	\$ 2,047.7	\$ 332.9	16.26%
1973	\$ 2,406.8	\$ 1,779.3	\$ 627.5	35.27%
1972	\$ 1,784.0	\$ 1,557.5	\$ 226.5	14.54%
1971	\$ 1,590.1	\$ 1,334.4	\$ 255.7	19.16%
1970	\$ 1,361.9	\$ 1,088.5	\$ 273.4	25.12%
1969	\$ 1,064.2	\$ 992.7	\$ 71.5	7.20%
1968	\$ 998.8	\$ 876.6	\$ 122.2	13.94%
1967	\$ 906.1	\$ 639.4	\$ 266.8	41.72%
1966	\$ 646.8	\$ 584.1	\$ 62.7	10.73%
1965	\$ 589.9	\$ 543.8	\$ 46.1	8.48%
1964	\$ 547.5	\$ 499.4	\$ 48.1	9.63%
1963	\$ 500.0	\$ 467.2	\$ 32.7	7.01%
1962	\$ 467.4	\$ 431.8	\$ 35.6	8.24%
1961	\$ 431.4	\$ 405.1	\$ 26.2	6.47%
1960	\$ 403.3	\$ 388.6	\$ 14.7	3.78%
1959	\$ 399.7	\$ 342.5	\$ 57.2	16.71%
1958	\$ 342.5	\$ 320.8	\$ 21.6	6.74%
1957	\$ 315.5	\$ 284.4	\$ 31.1	10.92%
1956	\$ 257.3	\$ 234.8	\$ 22.5	9.58%
1955	\$ 235.4	\$ 219.7	\$ 15.8	7.18%
1954	\$ 219.3	\$ 210.7	\$ 8.6	4.10%
1953	\$ 196.4	\$ 176.8	\$ 19.6	11.09%
1952	\$ 169.7	\$ 164.1	\$ 5.6	3.43%
1951	\$ 164.1	\$ 159.5	\$ 4.6	2.88%

Projected Shortfall Continues Into FY 2010

(In Millions)

	FY2009	FY2010	-----DIFF-----	
			\$	%
OPENING FUND BALANCE	\$ 1,434	\$ 600	\$ (834)	(58.2)
REVENUES				
Income	\$ 12,866	\$ 13,638	\$ 772	6.0
Sales	8,710	8,971	261	3.0
Corporate	2,460	2,460	-	-
Other	8,433	8,433	-	-
Total Revenues	\$ 32,469	\$ 33,502	\$ 1,033	3.2
 TOTAL RESOURCES	 \$ 33,903	 \$ 34,102	 \$ 199	 0.6
 RECOMMENDATIONS/PROJECTIONS	 \$ 32,969	 \$ 35,179	 \$ 2,210	 6.7
Aid to Education		\$ 620		
Pensions at 65% *		500		
Employee Benefits (other than pensions)		300		
Medicaid		225		
Salary Increases		200		
Homestead Rebates / Senior Freeze		105		
NJ Transit		100		
Debt Service		80		
Municipal Aid Inflation		80		
FUND BALANCE		\$ (1,077)		
Long Term Obligation and Capital Expenditure Fund	\$ 334			
Required Ending	600	\$ 600		
Fund Balance with Required Ending		\$ (1,677)		

* If funded at 100%, \$1.3 billion would be required and shortfall increases to \$2.48 billion

**SUMMARY OF APPROPRIATIONS
MAJOR INCREASES AND DECREASES**

This table summarizes the major increases and decreases in the Fiscal 2009 Budget and is organized by category.

Categories of recommended appropriations are defined as follows:

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

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

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

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

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

**APPROPRIATIONS
MAJOR INCREASES AND DECREASES
(\$ In Millions)**

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations			
Salary Increases - State Employees (Prior to Savings from Employee Actions)	\$ 183.553		
State Active and Retiree Employee Health Benefits	22.448		
Employer Taxes	10.372		
Judiciary - Drug Court and Intensive Supervision for Reduced Prison Costs	7.036		
Debt Service	4.710		
Program Costs to Divert Technical Parole Violators	3.131		
Division of State Police	2.740		
Legislation for Sex Offender Monitoring	1.233		
Subtotal - State Operations Increases	\$ 235.223		
Early Retirement Incentive Program Savings		\$ (135.878)	
Net Employee Savings		(72.959)	
Judiciary Efficiencies		(27.000)	
Procurement Savings		(25.000)	
State Trooper Rural Patrol		(20.500)	
Motor Vehicles Commission Reimbursement		(20.000)	
Other Statewide Nonsalary Operational Efficiencies		(14.772)	

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
(\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Office of Information Technology One Time Costs		(7.000)	
Department of Children and Families Equipment/Training Academy		(6.000)	
Rent Consolidations		(5.223)	
Corporation Business Tax Dedication		(4.876)	
Corrections and Juvenile Justice Shift Overlap Savings		(4.804)	
Transportation Shift to Federal Resources		(4.680)	
Medical Emergency Disaster Preparedness Shift to Federal Resources		(4.000)	
Verizon Contract Savings		(2.230)	
Reduce Travel & Tourism - Advertising & Promotion		(1.855)	
Elimination of Prison Details		(1.663)	
Network Infrastructure - Shift to Non-State Resources		(1.500)	
Legislature Efficiencies		(1.075)	
Higher Education Student Assistance Authority - Shift to Non-State Resources		(0.428)	
Jersey Fresh - 50% Reduction		(0.400)	
Other (Net)		(19.676)	
<i>Subtotal - State Operations Decreases</i>		<u>\$ (381.519)</u>	
<i>Net Change (State Operations)</i>			<u>\$ (146.296)</u>
Grants-In-Aid			
Developmental Disabilities and Mental Health Community Placements	\$ 60.878		
NJ Transit Operating Subsidy	60.000		
Medicaid/General Assistance Health Care	51.620		
Community Provider COLA	40.555		
Senior Public Institutions Salary Program	38.485		
Business Employment Incentive Program (BEIP) PAYGO	27.000		
Tuition Aid Grants	20.736		
Senior/Disabled Citizens' Property Tax Freeze	16.000		
State Rental Assistance Program	15.000		
Pensions - Higher Education	8.811		
Employer Taxes - Higher Education	7.717		
Active and Retiree Employee Health Benefits - Higher Education	6.517		
Election Law Enforcement Commission - Gubernatorial Election Costs	5.080		
Early Childhood Intervention	5.000		
Child Welfare Reform	3.000		
HESAA OB/GYN Loan Redemption Program	1.000		
NJSTARS I & II - Net of New Family Income Cap	0.893		
<i>Subtotal - Grants-In-Aid Increases</i>	<u>\$ 368.292</u>		
Homestead Rebates for Homeowners		\$ (345.000)	
Homestead Rebates for Tenants		(127.000)	
Hospital Funding		(108.000)	
Senior Public Colleges and Universities		(89.338)	

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
(\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
NJ FamilyCare Shift to Federal Funds		(80.000)	
Homestead Rebates Impact of FY2008 Overfunding		(62.000)	
Medicaid/PAAD Pharmaceutical Savings		(44.938)	
Nursing Homes Rate Savings		(44.636)	
Medicaid Enhanced Anti-Fraud		(27.750)	
Debt Service		(22.547)	
Cancer Research		(20.500)	
County Jail Inmate Reduction		(15.000)	
Reduce Prisoner Population - Expansion of Community Alternatives		(14.107)	
Child Behavioral Health Underspending		(11.800)	
Eliminate Preschool Expansion and Enhancement Grants		(10.000)	
Corporation Business Tax Dedication		(8.066)	
State Recycling Fund One Time Cost		(8.000)	
Medicaid Rx \$2 Co-Payment/\$6 ER		(7.550)	
Tuition Policy for Out-of-State Undergraduate Students		(7.083)	
PAAD Co-payment to \$6 Generic, \$7 Brand Name		(7.000)	
Children's Partial Hospitalization		(6.047)	
Tamiflu Prescription Medicine One Time Cost		(6.000)	
Medical Day Care Rates Savings		(6.000)	
Reduce Council on the Arts - Cultural Projects		(5.923)	
New Jersey Stem Cell Research Institute		(5.500)	
Cap Tuition Aid Grants for Independent Institutions at Rutgers' Levels		(5.400)	
Reform Co-payment for After School/Summer Child Care		(4.270)	
Senior Gold - Require Enrollment in Medicare Part D		(3.400)	
Reduce Outstanding Scholars Recruitment Program		(3.386)	
Liberty Science Center		(2.750)	
Enhanced 911 Grants		(2.500)	
Newark Museum		(2.270)	
Independent Colleges and Universities		(2.044)	
Commission on Science and Technology Grant Program		(1.500)	
Boys and Girls Clubs of NJ		(1.400)	
Battleship New Jersey Museum		(1.300)	
New Jersey Manufacturing Extension Program		(1.200)	
Statewide Systemic Initiative to Reform Mathematics and Science Education		(1.200)	
Historical Commission Grants		(1.102)	
Eliminate Commerce Commission		(1.000)	
Office of Faith Based Initiatives		(1.000)	
Small Business Development Centers		(1.000)	
Center for Hispanic Policy, Research, and Development		(0.900)	
Mobile Health Van Pilot Program		(0.900)	
Big Brothers/Big Sisters		(0.700)	
Agriculture Conservation Assistance Program		(0.600)	
State Incentive Program Unused Capacity		(0.600)	
Vocational Rehabilitation Grants		(0.500)	

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
(\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Eliminate Commerce Commission Division of Business Services		(0.450)	
Reduce New Jersey After 3		(0.400)	
Lake Hopatcong Commission		(0.400)	
New Jersey Center for Outreach Services for the Autism Community (COSAC)		(0.350)	
NJ Agricultural Experiment Station -- Food Innovation Research and Extension Center		(0.300)	
Soil and Water Conservation Grants		(0.300)	
Paper Mill Playhouse		(0.250)	
NJ Symphony		(0.250)	
New Jersey Performing Arts Center		(0.250)	
New Jersey State Association of Jewish Federations - Naturally Occurring Retirement Communities (NORC) Pilot Program		(0.250)	
Center for Great Expectations		(0.250)	
Rutgers Camden Center for the Arts -- Walter K. Gordon Theater		(0.250)	
Camden Eye Center		(0.250)	
New Jersey Institute of Disabilities		(0.250)	
Cultural Trust Grants		(0.220)	
The Children's Institute, Verona		(0.200)	
Hemophilia Services		(0.200)	
Municipal Park Initiative - Park Ranger Program		(0.200)	
Historical Commission - Grants in New Jersey History		(0.189)	
Limit CEO Salaries and Lobbyists' Funding in Providers Contract		(0.164)	
New Jersey Marine Science Consortium		(0.150)	
Grant to ASPIRA		(0.150)	
Durand Academy and Community Services, Gloucester County - Land Acquisition		(0.150)	
Museum for Contemporary Sciences		(0.150)	
NJ Council for the Humanities		(0.135)	
Amanda's Easel		(0.125)	
NJ Ellis Island Foundation		(0.100)	
Thomas Edison Museum		(0.100)	
Montclair Art Museum		(0.100)	
AIDS Resource Foundation		(0.100)	
Rutgers -- Oral History Archive		(0.100)	
Aspergers Syndrome Vocational, Educational and Social Training (VEST) Program, Jewish Family Services Inc., Teaneck		(0.100)	
NJ Fire and EMS Crisis Intervention Services Telephone Hotline		(0.095)	
National Alliance on Mental Illness - New Jersey		(0.090)	
Phase-Out Subsidy for Teacher Board Certification		(0.085)	
Lenape Regional Performing Arts Center		(0.075)	
Bergen Performing Arts Center		(0.075)	
Dante Hall Theater of the Arts		(0.050)	
Latino Regional Health Fairs and Social Service Programs		(0.050)	

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
(\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Victims of Crime Compensation Agency - New Jersey Crime Victims Law Center		(0.050)	
Oskar Schindler Performing Arts Center		(0.050)	
Violence Prevention Institute		(0.050)	
Civil Air Patrol		(0.035)	
Boheme Opera New Jersey		(0.025)	
Other (Net)		(13.531)	
<i>Subtotal - Grants-In-Aid Decreases</i>		<u>\$ (1,151.801)</u>	
<i>Net Change (Grants-In-Aid)</i>			<u>\$ (783.509)</u>
State Aid			
Education Formula Aid	\$ 514.619		
School Construction and Renovation Fund Debt Service	58.434		
Preschool Formula Aid	26.908		
Local School Districts Teacher Social Security Payments	22.400		
General Assistance (GA) and Supplemental Security Income (SSI)			
Caseload Increases	10.638		
Debt Service	8.923		
Union County Inmate Rehabilitation Services	4.000		
County Psychiatric Hospitals	3.352		
Local Employee Benefits	2.386		
Teachers' Pension and Annuity Fund	0.936		
County Prosecutors and Officials Salary Increase	0.320		
Open Space Payments in Lieu of Taxes	0.172		
Other (Net)	7.891		
<i>Subtotal - State Aid Increases</i>	<u>\$ 660.979</u>		
Consolidated Municipal Property Tax Relief		\$ (62.044)	
Eliminate Municipal Efficiency Promotion Aid		(34.825)	
Eliminate 2008 Municipal Property Tax Assistance		(32.600)	
Eliminate Municipal Homeland Security Assistance Aid		(32.000)	
County College Operating Support		(16.344)	
Charter School Hold Harmless Funding		(11.500)	
Presidential Primary Election One Time Cost		(10.515)	
Flood Funding One Time		(8.000)	
Regional Efficiency Aid Program (REAP)		(8.000)	
Special Municipal Aid Reduction		(7.650)	
Reduce State Share of County Psychiatric Hospital Costs		(6.298)	
Consolidation Fund Reduction		(5.000)	
Senior/Disabled Citizens' and Veterans' Tax Deductions - Participation Decrease		(5.000)	
Sharing Available Resources Efficiently (SHARE)		(4.200)	
Elderly and Handicapped Transportation Services		(3.910)	

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
(\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Other School Aid		(2,871)	
Neighborhood Preservation Program for Neighborhood Rehabilitation		(2,750)	
Teacher Quality Mentoring		(2,500)	
Trenton Capital City Aid Reduction		(1,875)	
Extraordinary Aid Reduction		(1,700)	
Post-Retirement Medical - Teachers' Pension and Annuity Fund		(1,010)	
Delaney Hall		(1,000)	
State Library - Reduce Per Capita Aid 10%		(0,867)	
Pinelands Commission		(0,780)	
County Environmental Health Act		(0,753)	
Evening School for Foreign-Born Residents		(0,211)	
South Jersey Port Corporation Property Tax Reserve Fund (PILOT)		(0,110)	
Retrofit Subsidy for School Bus Crossing Arms One Time		(0,100)	
NJSIAA Steroid Testing - Shift to Non-State Resources		(0,050)	
County College Employee Benefits		(0,011)	
Subtotal - State Aid Decreases		<u>\$ (264,474)</u>	
Net Change (State Aid)			<u>\$ 396,505</u>
Capital Construction			
NJ Building Authority	\$ 1,851		
Subtotal - Capital Construction Increases	<u>\$ 1,851</u>		
Special Reserve for Capital Projects		\$ (34,069)	
Eliminate Garden State Preservation Trust Supplemental Funding		(25,000)	
Corporation Business Tax Dedication		(18,623)	
Modular Units at Bayside		(5,440)	
Other (Net)		(3,255)	
Subtotal - Capital Construction Decreases		<u>\$ (86,387)</u>	
Net Change (Capital Construction)			<u>\$ (84,536)</u>
Debt Service			
General Obligation Debt Service		\$ (32,900)	
Subtotal - Debt Service Decreases		<u>\$ (32,900)</u>	
Net Change (Debt Service)			<u>\$ (32,900)</u>
GRAND TOTAL	<u>\$ 1,266,345</u>	<u>\$ (1,917,081)</u>	<u>\$ (650,736)</u>

TABLE I
SUMMARY OF FISCAL YEAR 2008-09 APPROPRIATION RECOMMENDATIONS

(thousands of dollars)

Table I is a summary of appropriations of all State fund sources. It highlights the percent change in appropriations between fiscal years.

	2008	2009	----- Change -----	
	Adjusted Approp.		Recommended	Dollar
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	24,810,047	24,430,259	-379,788	% - 1.5
State Operations				
Executive Branch	3,757,226	3,564,709	-192,517	-5.1
Legislature	76,508	75,669	-839	-1.1
Judiciary	629,131	636,167	7,036	1.1
Interdepartmental	2,138,643	2,153,528	14,885	0.7
Total State Operations	6,601,508	6,430,073	-171,435	% - 2.6
Capital Construction	1,280,565	1,196,029	-84,536	-6.6
Debt Service	438,797	405,897	-32,900	-7.5
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	33,130,917	32,462,258	-668,659	% - 2.0
CASINO CONTROL FUND	75,439	75,439	---	---
CASINO REVENUE FUND	412,983	425,826	12,843	3.1
GUBERNATORIAL ELECTIONS FUND	---	5,080	5,080	---
GRAND TOTAL STATE APPROPRIATIONS	33,619,339	32,968,603	-650,736	% - 1.9

TABLE II
SUMMARY OF FISCAL YEAR 2008-09 APPROPRIATION RECOMMENDATIONS

(thousands of dollars)

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

Year Ending June 30, 2007						Year Ending June 30, 2009		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recommended
6,218,863	790,885	15,906	7,025,654	6,540,431	General Fund			
8,865,710	300,713	-25,323	9,141,100	8,643,576	Direct State Services	6,601,508	6,432,001	6,430,073
1,790,210	60,865	-1,770	1,849,305	1,735,166	Grants-in-Aid	9,255,467	9,347,659	8,987,453
1,238,779	228,955	11,278	1,479,012	1,241,131	State Aid	1,840,302	1,921,917	1,886,206
427,785	---	---	427,785	427,783	Capital Construction	1,280,565	1,196,029	1,196,029
					Debt Service	438,797	405,897	405,897
18,541,347	1,381,418	91	19,922,856	18,588,087	Total General Fund	19,416,639	19,303,503	18,905,658
11,886,721	7,489	-103,479	11,790,731	11,695,964	Property Tax Relief Fund	13,714,278	13,556,600	13,556,600
73,439	887	---	74,326	73,063	Casino Control Fund	75,439	75,439	75,439
518,981	9,522	---	528,503	459,978	Casino Revenue Fund	412,983	425,826	425,826
---	---	---	---	---	Gubernatorial Elections Fund	---	5,080	5,080
31,020,488	1,399,316	-103,388	32,316,416	30,817,092	GRAND TOTAL STATE APPROPRIATIONS	33,619,339	33,366,448	32,968,603

TABLE III
SUMMARY OF APPROPRIATIONS BY ORGANIZATION
(thousands of dollars)

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

Year Ending June 30, 2007					Year Ending June 30, 2009		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>							
Legislative Branch							
11,681	4,485	178	16,344	11,565	11,959	11,959	11,959
18,096	2,921	178	21,195	18,779	18,402	18,402	18,402
28,883	2,244	1,331	32,458	30,844	30,797	29,958	29,958
15,233	8,349	-500	23,082	16,519	15,350	15,350	15,350
73,893	17,999	1,187	93,079	77,707	76,508	75,669	75,669
Executive Branch							
4,924	1,620	---	6,544	5,275	5,428	5,293	5,293
8,994	3,244	302	12,540	11,376	9,721	7,930	7,930
68,944	1,725	870	71,539	68,336	72,127	70,340	70,340
272,646	11	13,628	286,285	282,907	326,958	320,636	320,636
37,009	35,919	-4,278	68,650	63,612	40,991	39,574	39,574
942,404	1,259	57,954	1,001,617	994,270	1,028,994	1,027,707	1,027,707
57,542	2,386	27,398	87,326	85,346	78,410	74,998	74,998
241,208	45,044	7,640	293,892	277,371	249,653	230,046	230,046
79,177	24,226	11,070	114,473	95,026	73,714	68,234	68,234
78,306	24,201	10,956	113,463	94,078	72,843	67,363	67,363
871	25	114	1,010	948	871	871	871
452,155	113,172	69,711	635,038	536,247	515,948	475,962	475,962
61,849	55,763	67	117,679	111,777	64,973	64,881	64,881
570,356	190,541	-12,577	748,320	650,620	578,440	541,566	541,566
526,265	190,318	-12,577	704,006	607,024	532,349	495,475	495,475
43,999	223	---	44,222	43,590	45,999	45,999	45,999
92	---	---	92	6	92	92	92
86,826	6,481	2,485	95,792	92,416	92,315	90,273	90,273
23,990	6,478	-327	30,141	27,214	22,824	20,597	20,597
19,420	3,261	197	22,878	15,493	20,357	17,466	17,466
24,448	3,519	193	28,160	24,686	41,759	37,492	35,564
96,451	4,617	2,965	104,033	102,054	103,851	82,404	82,404
456,909	200,101	-104,771	552,239	507,937	505,709	466,184	466,184
427,469	199,437	-104,771	522,135	478,464	476,269	436,744	436,744
29,440	664	---	30,104	29,473	29,440	29,440	29,440
1,407	7	11	1,425	1,424	1,456	1,456	1,456
3,506,659	699,374	72,538	4,278,571	3,953,387	3,833,628	3,643,039	3,641,111
3,432,257	698,462	72,424	4,203,143	3,879,370	3,757,226	3,566,637	3,564,709
73,439	887	---	74,326	73,063	75,439	75,439	75,439
963	25	114	1,102	954	963	963	963
Interdepartmental Accounts							
155,490	4,988	10,700	171,178	169,689	177,431	150,477	150,477
120,711	2,832	---	123,543	121,678	111,489	110,907	110,907
1,647,708	8,000	34,924	1,690,632	1,620,735	1,755,524	1,768,831	1,768,831
36,278	695	34,196	71,169	45,508	14,143	4,175	4,175
118,860	47,232	-124,931	41,161	10,488	13,900	53,308	53,308
65,916	924	-19,813	47,027	38,764	66,156	65,830	65,830
2,144,963	64,671	-64,924	2,144,710	2,006,862	2,138,643	2,153,528	2,153,528

Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>								
Judicial Branch								
567,750	9,753	7,219	584,722	576,492	The Judiciary	629,131	636,167	636,167
567,750	9,753	7,219	584,722	576,492	Total Judicial Branch	629,131	636,167	636,167
6,293,265	791,797	16,020	7,101,082	6,614,448	Total Direct State Services	6,677,910	6,508,403	6,506,475
6,218,863	790,885	15,906	7,025,654	6,540,431	(From General Fund)	6,601,508	6,432,001	6,430,073
73,439	887	---	74,326	73,063	(From Casino Control Fund)	75,439	75,439	75,439
963	25	114	1,102	954	(From Casino Revenue Fund)	963	963	963
<u>GRANTS-IN-AID</u>								
Executive Branch								
5,025	412	730	6,167	5,751	Department of Agriculture	4,975	4,075	4,075
676,769	10	10,443	687,222	656,341	Department of Children and Families	753,952	755,067	755,067
61,845	13,274	6,603	81,722	73,563	Department of Community Affairs	54,255	64,860	64,860
133,151	4,402	-41	137,512	136,668	Department of Corrections	151,098	121,591	121,591
39,713	---	579	40,292	36,054	Department of Education	31,688	18,453	18,453
27,165	17,240	-750	43,655	4,744	Department of Environmental Protection	35,947	19,481	19,481
1,743,326	14,232	-12,166	1,745,392	1,515,465	Department of Health and Senior Services	1,663,074	1,488,342	1,488,342
1,426,416	4,735	-12,052	1,419,099	1,256,783	(From General Fund)	1,403,266	1,229,394	1,229,394
316,910	9,497	-114	326,293	258,682	(From Casino Revenue Fund)	259,808	258,948	258,948
3,795,427	196,537	-21,119	3,970,845	3,871,598	Department of Human Services	3,973,332	3,933,433	3,933,433
3,631,689	196,537	-21,119	3,807,107	3,708,626	(From General Fund)	3,860,488	3,802,976	3,802,976
163,738	---	---	163,738	162,972	(From Casino Revenue Fund)	112,844	130,457	130,457
56,973	16	---	56,989	56,908	Department of Labor and Workforce Development	72,175	71,964	71,964
54,533	16	---	54,549	54,468	(From General Fund)	69,735	69,524	69,524
2,440	---	---	2,440	2,440	(From Casino Revenue Fund)	2,440	2,440	2,440
22,469	98	---	22,567	21,949	Department of Law and Public Safety	28,085	32,503	32,503
22,469	98	---	22,567	21,949	(From General Fund)	28,085	27,423	27,423
---	---	---	---	---	(From gubernatorial Elections Fund)	---	5,080	5,080
1,544	69	184	1,797	1,786	Department of Military and Veterans' Affairs	3,044	3,174	3,174
1,183,738	10,938	-189	1,194,487	1,182,894	Department of State	1,256,428	1,505,725	1,159,575
300,700	3,167	140	304,007	300,808	Department of Transportation	298,200	358,200	358,200
1,587,898	36,625	3,171	1,627,694	1,466,097	Department of the Treasury	2,807,533	2,308,921	2,294,865
404,110	35,156	3,171	442,437	320,290	(From General Fund)	403,533	422,921	408,865
1,183,788	1,469	---	1,185,257	1,145,807	(From Property Tax Relief Fund)	2,404,000	1,886,000	1,886,000
9,635,743	297,020	-12,415	9,920,348	9,330,626	Total Executive Branch	11,133,786	10,685,789	10,325,583
7,968,867	286,054	-12,301	8,242,620	7,760,725	(From General Fund)	8,354,694	8,402,864	8,042,658
1,183,788	1,469	---	1,185,257	1,145,807	(From Property Tax Relief Fund)	2,404,000	1,886,000	1,886,000
483,088	9,497	-114	492,471	424,094	(From Casino Revenue Fund)	375,092	391,845	391,845
---	---	---	---	---	(From gubernatorial Elections Fund)	---	5,080	5,080
Interdepartmental Accounts								
760,407	2,800	-13,032	750,175	736,677	Employee Benefits	745,469	768,514	768,514
---	11,189	10	11,199	10,838	Other Interdepartmental Accounts	---	---	---
---	---	---	---	---	Salary Increases and Other Benefits	---	38,485	38,485
136,436	670	---	137,106	135,336	Aid to Independent Authorities	155,304	137,796	137,796
896,843	14,659	-13,022	898,480	882,851	Total Interdepartmental Accounts	900,773	944,795	944,795
10,532,586	311,679	-25,437	10,818,828	10,213,477	Total Grants-in-Aid	12,034,559	11,630,584	11,270,378
8,865,710	300,713	-25,323	9,141,100	8,643,576	(From General Fund)	9,255,467	9,347,659	8,987,453
1,183,788	1,469	---	1,185,257	1,145,807	(From Property Tax Relief Fund)	2,404,000	1,886,000	1,886,000
483,088	9,497	-114	492,471	424,094	(From Casino Revenue Fund)	375,092	391,845	391,845
---	---	---	---	---	(From gubernatorial Elections Fund)	---	5,080	5,080

Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recommended	
STATE AID								
Executive Branch								
11,727	2,593	-7	14,313	11,150	Department of Agriculture	11,727	10,873	10,873
1,216,361	9,533	-86,457	1,139,437	1,131,779	Department of Community Affairs	1,212,608	1,020,284	1,020,284
154,889	9,533	-2,249	162,173	155,028	(From General Fund)	92,036	55,906	55,906
1,061,472	---	-84,208	977,264	976,751	(From Property Tax Relief Fund)	1,120,572	964,378	964,378
10,314,002	14,244	-19,191	10,309,055	10,213,262	Department of Education	10,930,218	11,544,311	11,544,311
840,315	8,224	80	848,619	802,205	(From General Fund)	916,206	1,015,495	1,015,495
9,473,687	6,020	-19,271	9,460,436	9,411,057	(From Property Tax Relief Fund)	10,014,012	10,528,816	10,528,816
20,566	140	155	20,861	20,271	Department of Environmental Protection	21,197	19,236	19,236
11,066	140	155	11,361	11,203	(From General Fund)	11,369	9,236	9,236
9,500	---	---	9,500	9,068	(From Property Tax Relief Fund)	9,828	10,000	10,000
9,552	---	---	9,552	9,417	Department of Health and Senior Services	9,552	9,552	9,552
416,855	3,618	251	420,724	412,408	Department of Human Services	429,546	449,394	449,394
1,522	---	---	1,522	1,448	Department of Labor and Workforce Development	1,522	1,522	1,522
16,000	6,858	---	22,858	15,323	Department of Law and Public Safety	24,000	16,000	16,000
25,550	---	---	25,550	25,408	Department of State	46,065	36,548	34,681
34,930	---	---	34,930	34,930	Department of Transportation	36,928	33,018	33,018
34,930	---	---	34,930	34,930	(From Casino Revenue Fund)	36,928	33,018	33,018
461,008	29,899	---	490,907	444,857	Department of the Treasury	464,145	484,797	450,953
302,734	29,899	---	332,633	291,576	(From General Fund)	298,279	317,391	283,547
158,274	---	---	158,274	153,281	(From Property Tax Relief Fund)	165,866	167,406	167,406
12,528,073	66,885	-105,249	12,489,709	12,320,253	Total Executive Branch	13,187,508	13,625,535	13,589,824
1,790,210	60,865	-1,770	1,849,305	1,735,166	(From General Fund)	1,840,302	1,921,917	1,886,206
10,702,933	6,020	-103,479	10,605,474	10,550,157	(From Property Tax Relief Fund)	11,310,278	11,670,600	11,670,600
34,930	---	---	34,930	34,930	(From Casino Revenue Fund)	36,928	33,018	33,018
12,528,073	66,885	-105,249	12,489,709	12,320,253	Total State Aid	13,187,508	13,625,535	13,589,824
1,790,210	60,865	-1,770	1,849,305	1,735,166	(From General Fund)	1,840,302	1,921,917	1,886,206
10,702,933	6,020	-103,479	10,605,474	10,550,157	(From Property Tax Relief Fund)	11,310,278	11,670,600	11,670,600
34,930	---	---	34,930	34,930	(From Casino Revenue Fund)	36,928	33,018	33,018
CAPITAL CONSTRUCTION								
Legislative Branch								
---	288	---	288	117	Legislative Support Services	---	---	---
---	288	---	288	117	Total Legislative Branch	---	---	---
Executive Branch								
---	1,799	---	1,799	---	Department of Agriculture	250	---	---
10,000	---	2,881	12,881	6,916	Department of Children and Families	---	---	---
---	8,517	-1	8,516	1,125	Department of Corrections	3,936	---	---
2,450	1,638	---	4,088	1,168	Department of Education	2,800	---	---
116,767	114,270	-9,118	221,919	99,251	Department of Environmental Protection	117,024	92,611	92,611
---	246	---	246	98	Department of Health and Senior Services	---	---	---
7,700	20,653	-2,881	25,472	10,044	Department of Human Services	2,800	---	---
1,500	13,122	---	14,622	4,195	Department of Law and Public Safety	3,800	---	---
2,590	2,465	925	5,980	1,565	Department of Military and Veterans' Affairs	1,318	---	---
---	1,624	---	1,624	1,157	Department of State	---	---	---
895,000	191	---	895,191	895,000	Department of Transportation	895,000	895,000	895,000
---	20,419	8,879	29,298	11,760	Department of the Treasury	6,500	---	---
---	2	---	2	---	Miscellaneous Commissions	---	---	---
1,036,007	184,946	685	1,221,638	1,032,279	Total Executive Branch	1,033,428	987,611	987,611

Orig. & (S) Supplemental	Year Ending June 30, 2007				2008 Adjusted Approp.	Year Ending June 30, 2009		
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		Requested	Recommended	
CAPITAL CONSTRUCTION								
Interdepartmental Accounts								
202,772	43,721	10,593	257,086	208,735	Capital Projects - Statewide	247,137	208,418	208,418
<u>202,772</u>	<u>43,721</u>	<u>10,593</u>	<u>257,086</u>	<u>208,735</u>	Total Interdepartmental Accounts	<u>247,137</u>	<u>208,418</u>	<u>208,418</u>
<u>1,238,779</u>	<u>228,955</u>	<u>11,278</u>	<u>1,479,012</u>	<u>1,241,131</u>	Total Capital Construction	<u>1,280,565</u>	<u>1,196,029</u>	<u>1,196,029</u>
DEBT SERVICE								
Executive Branch								
64,664	---	-1	64,663	64,663	Department of Environmental Protection	56,790	59,735	59,735
363,121	---	1	363,122	363,120	Department of the Treasury	382,007	346,162	346,162
<u>427,785</u>	<u>---</u>	<u>---</u>	<u>427,785</u>	<u>427,783</u>	Total Executive Branch	<u>438,797</u>	<u>405,897</u>	<u>405,897</u>
<u>427,785</u>	<u>---</u>	<u>---</u>	<u>427,785</u>	<u>427,783</u>	Total Debt Service	<u>438,797</u>	<u>405,897</u>	<u>405,897</u>
<u>31,020,488</u>	<u>1,399,316</u>	<u>-103,388</u>	<u>32,316,416</u>	<u>30,817,092</u>	GRAND TOTAL- STATE APPROPRIATIONS	<u>33,619,339</u>	<u>33,366,448</u>	<u>32,968,603</u>
18,541,347	1,381,418	91	19,922,856	18,588,087	(From General Fund)	19,416,639	19,303,503	18,905,658
73,439	887	---	74,326	73,063	(From Casino Control Fund)	75,439	75,439	75,439
11,886,721	7,489	-103,479	11,790,731	11,695,964	(From Property Tax Relief Fund)	13,714,278	13,556,600	13,556,600
518,981	9,522	---	528,503	459,978	(From Casino Revenue Fund)	412,983	425,826	425,826
---	---	---	---	---	(From gubernatorial Elections Fund)	---	5,080	5,080

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

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

	2007 Expenditures	2008 Adjusted Appropriation	2009 Requested	2009 Recommended
General Fund--				
Direct State Services--				
Personal Services	2,954,824	3,121,965	3,035,825	3,035,090
Materials and Supplies	255,631	241,545	243,292	243,204
Services Other Than Personal	505,140	468,009	460,742	460,714
Maintenance and Fixed Charges	256,942	275,703	232,561	232,489
Improvements and Equipment	44,405	34,182	29,145	29,140
Employee Pension and Health Benefits	1,620,735	1,755,524	1,768,831	1,768,831
Special Purpose	902,754	704,580	661,605	660,605
Total Direct State Services	<u>6,540,431</u>	<u>6,601,508</u>	<u>6,432,001</u>	<u>6,430,073</u>

	2007 Expenditures	2008 Adjusted Appropriation	2009 Requested	2009 Recom- mended
Grants-in-Aid--				
Employee Benefits--Colleges and Universities	736,677	745,469	768,514	768,514
Rutgers, The State University	309,280	328,595	342,120	290,581
University of Medicine and Dentistry of New Jersey	220,231	231,112	272,336	208,671
New Jersey Institute of Technology	47,182	49,098	122,690	42,685
State Colleges and Universities	276,717	292,572	413,560	262,619
Other Higher Education Programs	71,192	105,821	133,890	132,321
Student Aid--Scholarships and Grants	290,187	308,963	322,806	322,806
Support of Independent Higher Education Institutions	21,978	21,672	32,115	19,628
Correctional Facilities	136,668	151,098	121,591	121,591
Support of the Arts	24,530	28,718	18,930	18,930
Transit Subsidy	300,700	298,200	358,200	358,200
Welfare Support Programs	249,174	277,025	269,216	269,216
Medicaid	3,372,174	3,549,540	3,394,848	3,394,848
Pharmaceutical Assistance Programs	19,065	77,018	55,566	55,566
Children and Families	656,341	753,952	755,067	755,067
Services for the Developmentally Disabled	548,960	519,119	548,359	548,359
Community Mental Health Services	280,428	304,887	324,887	324,887
AIDS Programs	22,434	31,000	31,309	31,309
Other Health and Human Services Programs	291,033	496,265	388,119	388,119
Economic Development	272,724	326,716	332,122	332,122
Other Grants--In-Aid	495,901	358,627	341,414	341,414
<i>Total Grants-in-Aid</i>	<i>8,643,576</i>	<i>9,255,467</i>	<i>9,347,659</i>	<i>8,987,453</i>
State Aid--				
Aid to County Colleges	173,537	177,959	201,448	167,604
Educational	802,205	916,206	1,015,495	1,015,495
Cash Assistance and County Welfare Administration	292,777	287,507	307,301	307,301
Health and Senior Services and Human Services	129,048	151,591	151,645	151,645
Aid to Counties and Municipalities	305,574	259,471	209,447	207,580
Other State Aid	32,025	47,568	36,581	36,581
<i>Total State Aid</i>	<i>1,735,166</i>	<i>1,840,302</i>	<i>1,921,917</i>	<i>1,886,206</i>
Capital Construction--				
Transportation Trust Fund	895,000	895,000	895,000	895,000
Environmental	3,288	---	---	---
Educational	1,168	2,800	---	---
Institutional	11,169	6,736	---	---
Constitutionally Dedicated Projects	190,201	209,234	190,611	190,611
All Other	140,305	166,795	110,418	110,418
<i>Total Capital Construction</i>	<i>1,241,131</i>	<i>1,280,565</i>	<i>1,196,029</i>	<i>1,196,029</i>
Debt Service--				
Principal	254,245	267,075	248,112	248,112
Interest	173,538	171,722	157,785	157,785
<i>Total Debt Service</i>	<i>427,783</i>	<i>438,797</i>	<i>405,897</i>	<i>405,897</i>
Total General Fund	18,588,087	19,416,639	19,303,503	18,905,658
Property Tax Relief Fund--				
Aid to County Colleges	27,640	35,139	40,026	40,026
Educational	9,411,057	10,014,012	10,528,816	10,528,816
Direct Property Tax Relief	1,241,220	2,501,000	1,978,000	1,978,000
Aid to Municipalities	1,016,047	1,164,127	1,009,758	1,009,758
<i>Total Property Tax Relief Fund</i>	<i>11,695,964</i>	<i>13,714,278</i>	<i>13,556,600</i>	<i>13,556,600</i>

	2007 Expenditures	2008 Adjusted Appropriation	2009 Requested	2009 Recom- mended
Casino Control Fund--				
Enforcement	43,590	45,999	45,999	45,999
Administration	29,473	29,440	29,440	29,440
Total Casino Control Fund	73,063	75,439	75,439	75,439
Casino Revenue Fund--				
Medicaid	159,882	109,186	125,500	125,500
Pharmaceutical Assistance Programs	214,762	215,473	215,912	215,912
Programs for Senior Citizens and the Disabled	85,334	88,324	84,414	84,414
Total Casino Revenue Fund	459,978	412,983	425,826	425,826
Gubernatorial Elections Fund--				
Public Financing of Gubernatorial General Election	---	---	5,080	5,080
Total Gubernatorial Elections Fund	---	---	5,080	5,080
GRAND TOTAL STATE APPROPRIATIONS	30,817,092	33,619,339	33,366,448	32,968,603

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

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

Year Ending June 30, 2007					Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recom- mended
GENERAL FUND							
Direct State Services							
10. Public Safety and Criminal Justice							
---	---	---	---	---	---	---	---
342,270	22,262	7,058	371,590	362,398	340,082	309,557	309,557
8,626	6,277	-610	14,293	12,617	7,085	6,017	6,017
16,447	4,998	-240	21,205	18,035	16,511	14,433	14,433
567,750	9,753	7,219	584,722	576,492	629,131	636,167	636,167
861,480	312	58,860	920,652	915,101	945,319	941,606	941,606
62,221	947	-232	62,936	61,146	65,053	68,194	68,194
98,507	13	5,625	104,145	104,099	106,279	104,347	104,347
36,421	1,659	-1,729	36,351	35,135	37,411	35,164	35,164
1,993,722	46,221	75,951	2,115,894	2,085,023	2,146,871	2,115,485	2,115,485
20. Physical and Mental Health							
44,704	5,573	4,551	54,828	53,412	45,277	40,917	40,917
13,894	7,914	-5,764	16,044	10,191	8,444	8,244	8,244
264,015	2,066	32,377	298,458	296,404	300,745	295,839	295,839
25,641	5,122	2,857	33,620	29,770	24,457	23,896	23,896
3,597	10,714	5,183	19,494	8,745	3,498	3,498	3,498
16,111	---	6,986	23,097	21,730	15,624	14,704	14,704
1,234	---	---	1,234	1,234	1,324	1,274	1,274
369,196	31,389	46,190	446,775	421,486	399,369	388,372	388,372

Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recommended
97,705	95,417	14,231	207,353	129,170	30. Educational, Cultural, and Intellectual Development			
					32. Operation and Support of Educational Institutions	125,528	100,491	100,491
9,418	785	920	11,123	11,071	33. Supplemental Education and Training Programs	10,781	10,170	10,170
39,015	2,073	19,885	60,973	59,566	34. Educational Support Services	54,857	52,347	52,347
14,997	289	7,493	22,779	22,330	35. Education Administration and Management	19,669	18,767	18,767
3,412	1	-78	3,335	3,212	36. Higher Educational Services	3,267	2,772	2,772
13,639	120	237	13,996	13,865	37. Cultural and Intellectual Development Services	30,893	27,817	25,889
178,186	98,685	42,688	319,559	239,214	Total Appropriation	244,995	212,364	210,436
					40. Community Development and Environmental Management			
24,810	35,605	-4,325	56,090	51,305	41. Community Development Management	29,192	28,839	28,839
67,364	6,006	4,021	77,391	73,616	42. Natural Resource Management	72,069	61,359	61,359
42,079	6,550	-3,059	45,570	44,153	43. Science and Technical Programs	45,880	42,708	42,708
56,530	21,125	289	77,944	73,436	44. Site Remediation and Waste Management	50,232	47,391	47,391
36,561	8,187	-1,040	43,708	40,176	45. Environmental Regulation	38,286	37,217	37,217
17,997	4	4,480	22,481	22,477	46. Environmental Planning and Administration	21,997	20,182	20,182
21,917	3,172	2,949	28,038	24,753	47. Compliance and Enforcement	22,465	22,465	22,465
8,994	3,244	302	12,540	11,376	49. Agricultural Resources, Planning, and Regulation	9,721	7,930	7,930
276,252	83,893	3,617	363,762	341,292	Total Appropriation	289,842	268,091	268,091
					50. Economic Planning, Development, and Security			
4,266	267	-72	4,461	4,320	51. Economic Planning and Development	4,470	3,492	3,492
94,818	5,054	1,961	101,833	96,347	52. Economic Regulation	100,416	97,759	97,759
65,934	27,749	395	94,078	81,388	53. Economic Assistance and Security	71,753	66,571	66,571
21,006	35,966	91	57,063	53,619	54. Manpower and Employment Services	21,726	21,654	21,654
275,534	12	33,819	309,365	304,847	55. Social Services Programs	330,709	323,568	323,568
461,558	69,048	36,194	566,800	540,521	Total Appropriation	529,074	513,044	513,044
					60. Transportation Programs			
92,141	4,392	2,955	99,488	97,523	61. State and Local Highway Facilities	100,586	79,275	79,275
4,310	225	10	4,545	4,531	64. Regulation and General Management	3,265	3,129	3,129
96,451	4,617	2,965	104,033	102,054	Total Appropriation	103,851	82,404	82,404
					70. Government Direction, Management, and Control			
58,660	9,650	1,687	69,997	61,188	71. Legislative Activities	61,158	60,319	60,319
25,079	131,054	-117,370	38,763	26,574	72. Governmental Review and Oversight	28,828	27,707	27,707
198,431	15,430	-1,022	212,839	202,051	73. Financial Administration	176,662	163,573	163,573
2,253,412	122,463	-64,645	2,311,230	2,152,632	74. General Government Services	2,299,201	2,293,447	2,293,447
4,148	104	-35	4,217	4,103	75. State Subsidies and Financial Aid	3,800	3,664	3,664
53,115	4,156	7,109	64,380	56,576	76. Management and Administration	52,931	44,053	44,053
15,233	8,349	-500	23,082	16,519	77. Legislative Commissions and Committees	15,350	15,350	15,350
2,608,078	291,206	-174,776	2,724,508	2,519,643	Total Appropriation	2,637,930	2,608,113	2,608,113
					80. Special Government Services			
165,041	164,343	-19,648	309,736	216,817	82. Protection of Citizens' Rights	173,772	168,288	168,288
70,379	1,483	2,725	74,587	74,381	83. Services to Veterans	75,804	75,840	75,840
235,420	165,826	-16,923	384,323	291,198	Total Appropriation	249,576	244,128	244,128
6,218,863	790,885	15,906	7,025,654	6,540,431	Total Direct State Services - General Fund	6,601,508	6,432,001	6,430,073

Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
					Grants-In-Aid			
					10. Public Safety and Criminal Justice			
2,315	98	---	2,413	1,795	12. Law Enforcement	2,915	2,615	2,615
35	---	---	35	35	14. Military Services	35	---	---
96,873	4,402	2,460	103,735	103,344	16. Detention and Rehabilitation	114,420	84,509	84,509
36,278	---	-2,501	33,777	33,324	17. Parole	36,678	37,082	37,082
20,154	---	---	20,154	20,154	18. Juvenile Services	25,120	24,808	24,808
155,655	4,500	-41	160,114	158,652	Total Appropriation	179,168	149,014	149,014
					20. Physical and Mental Health			
266,432	4,207	4,799	275,438	265,899	21. Health Services	243,615	239,040	239,040
151,162	---	3,450	154,612	139,062	22. Health Planning and Evaluation	201,462	87,462	87,462
276,133	---	4,295	280,428	280,428	23. Mental Health Services	304,977	324,887	324,887
2,419,062	140,085	7,234	2,566,381	2,533,097	24. Special Health Services	2,612,173	2,502,678	2,502,678
1,008,822	528	-20,301	989,049	851,822	26. Senior Services	958,189	902,892	902,892
52,506	---	-18,461	34,045	33,891	27. Disability Services	91,251	75,289	75,289
4,174,117	144,820	-18,984	4,299,953	4,104,199	Total Appropriation	4,411,667	4,132,248	4,132,248
					30. Educational, Cultural, and Intellectual Development			
19,500	---	---	19,500	19,500	31. Direct Educational Services and Assistance	10,000	---	---
535,623	55,424	5,242	596,289	548,960	32. Operation and Support of Educational Institutions	518,944	548,359	548,359
4,242	---	14	4,256	4,256	33. Supplemental Education and Training Programs	4,277	4,277	4,277
20,213	---	579	20,792	16,554	34. Educational Support Services	21,688	18,453	18,453
1,265,304	21,754	-294	1,286,764	1,236,719	36. Higher Educational Services	1,337,731	1,600,930	1,240,724
31,960	---	-45	31,915	31,913	37. Cultural and Intellectual Development Services	36,727	24,083	24,083
1,876,842	77,178	5,496	1,959,516	1,857,902	Total Appropriation	1,929,367	2,196,102	1,835,896
					40. Community Development and Environmental Management			
37,745	13,035	6,603	57,383	53,688	41. Community Development Management	33,745	48,650	48,650
---	82	---	82	---	42. Natural Resource Management	---	---	---
5,400	1,424	---	6,824	4,594	43. Science and Technical Programs	3,100	---	---
---	---	---	---	---	44. Site Remediation and Waste Management	8,000	---	---
21,765	15,734	-900	36,599	---	45. Environmental Regulation	24,847	19,481	19,481
---	---	150	150	150	46. Environmental Planning and Administration	---	---	---
5,025	412	730	6,167	5,751	49. Agricultural Resources, Planning, and Regulation	4,975	4,075	4,075
69,935	30,687	6,583	107,205	64,183	Total Appropriation	74,667	72,206	72,206
					50. Economic Planning, Development, and Security			
188,494	6,002	3,321	197,817	140,308	51. Economic Planning and Development	182,413	204,263	204,263
70,840	2,000	---	72,840	63,940	52. Economic Regulation	70,840	70,840	70,840
267,997	425	-13,009	255,413	249,174	53. Economic Assistance and Security	277,025	269,216	269,216
54,533	16	---	54,549	54,468	54. Manpower and Employment Services	69,735	69,524	69,524
742,814	630	25,042	768,486	723,454	55. Social Services Programs	814,071	812,886	812,886
1,324,678	9,073	15,354	1,349,105	1,231,344	Total Appropriation	1,414,084	1,426,729	1,426,729
					60. Transportation Programs			
300,700	---	---	300,700	300,700	62. Public Transportation	298,200	358,200	358,200
---	3,167	140	3,307	108	64. Regulation and General Management	---	---	---
300,700	3,167	140	304,007	300,808	Total Appropriation	298,200	358,200	358,200

Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recom- mended	
913,988	30,772	-13,022	931,738	898,825	70. Government Direction, Management, and Control			
---	214	---	214	---	74. General Government Services	918,918	959,220	959,220
31,886	233	-21,033	11,086	9,512	75. State Subsidies and Financial Aid	---	---	---
945,874	31,219	-34,055	943,038	908,337	76. Management and Administration	9,937	34,366	34,366
16,400	---	---	16,400	16,400	Total Appropriation	928,855	993,586	993,586
1,509	69	184	1,762	1,751	80. Special Government Services			
17,909	69	184	18,162	18,151	82. Protection of Citizens' Rights	16,450	16,400	16,400
8,865,710	300,713	-25,323	9,141,100	8,643,576	83. Services to Veterans	3,009	3,174	3,174
1,000	6,858	---	7,858	7,056	Total Appropriation	19,459	19,574	19,574
---	---	---	---	---	Total Grants-In-Aid - General Fund	9,255,467	9,347,659	8,987,453
15,000	---	---	15,000	8,267	State Aid			
16,000	6,858	---	22,858	15,323	10. Public Safety and Criminal Justice			
2,400	---	---	2,400	2,265	12. Law Enforcement	9,000	1,000	1,000
108,175	---	---	108,175	104,631	13. Special Law Enforcement Activities	---	---	---
7,152	---	---	7,152	7,152	19. Central Planning, Direction and Management	15,000	15,000	15,000
117,727	---	---	117,727	114,048	Total Appropriation	24,000	16,000	16,000
186,533	1,071	---	187,604	186,319	20. Physical and Mental Health			
4,860	---	---	4,860	4,847	21. Health Services	2,400	2,400	2,400
648,922	7,153	80	656,155	611,039	23. Mental Health Services	122,039	119,093	119,093
175,993	---	---	175,993	173,537	26. Senior Services	7,152	7,152	7,152
18,520	---	---	18,520	18,378	Total Appropriation	131,591	128,645	128,645
1,034,828	8,224	80	1,043,132	994,120	30. Educational, Cultural, and Intellectual Development			
16,925	2,200	-2,200	16,925	16,875	31. Direct Educational Services and Assistance	414,301	467,899	467,899
7,613	140	155	7,908	7,750	33. Supplemental Education and Training Programs	4,860	4,860	4,860
3,453	---	---	3,453	3,453	34. Educational Support Services	497,045	542,736	542,736
11,727	2,593	-7	14,313	11,150	36. Higher Educational Services	177,959	201,448	167,604
39,718	4,933	-2,052	42,599	39,228	37. Cultural and Intellectual Development Services	18,520	19,518	17,651
---	---	---	---	---	Total Appropriation	1,112,685	1,236,461	1,200,750
293,680	3,618	251	297,549	292,777	40. Community Development and Environmental Management			
1,522	---	---	1,522	1,448	41. Community Development Management	16,925	14,175	14,175
15,000	---	---	15,000	15,000	46. Environmental Planning and Administration	7,916	6,536	6,536
310,202	3,618	251	314,071	309,225	47. Compliance and Enforcement	3,453	2,700	2,700
---	---	---	---	---	49. Agricultural Resources, Planning, and Regulation	11,727	10,873	10,873
293,680	3,618	251	297,549	292,777	Total Appropriation	40,021	34,284	34,284
1,522	---	---	1,522	1,448	50. Economic Planning, Development, and Security			
15,000	---	---	15,000	15,000	51. Economic Planning and Development	---	---	---
310,202	3,618	251	314,071	309,225	53. Economic Assistance and Security	287,507	307,301	307,301
---	---	---	---	---	54. Manpower and Employment Services	1,522	1,522	1,522
293,680	3,618	251	297,549	292,777	55. Social Services Programs	20,000	23,000	23,000
1,522	---	---	1,522	1,448	Total Appropriation	309,029	331,823	331,823
15,000	---	---	15,000	15,000				

Year Ending June 30, 2007					Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recom- mended
7,030	---	---	7,030	7,030	70. Government Direction, Management, and Control		
264,705	37,232	-49	301,888	256,192	74. General Government Services	17,030	17,030
					75. State Subsidies and Financial Aid	157,674	157,674
271,735	37,232	-49	308,918	263,222	Total Appropriation	174,704	174,704
1,790,210	60,865	-1,770	1,849,305	1,735,166	Total State Aid - General Fund	1,921,917	1,886,206
					Capital Construction		
					10. Public Safety and Criminal Justice		
---	191	---	191	---	11. Vehicular Safety	---	---
---	5,445	---	5,445	1,931	12. Law Enforcement	---	---
590	2,279	925	3,794	1,240	14. Military Services	---	---
---	163	---	163	55	16. Detention and Rehabilitation	---	---
1,500	7,677	---	9,177	2,264	18. Juvenile Services	3,800	---
---	8,354	-1	8,353	1,070	19. Central Planning, Direction and Management	3,936	---
2,090	24,109	924	27,123	6,560	Total Appropriation	8,736	---
					20. Physical and Mental Health		
---	246	---	246	98	21. Health Services	---	---
---	5,989	---	5,989	2,537	23. Mental Health Services	---	---
---	---	---	---	---	25. Health Administration	---	---
---	6,235	---	6,235	2,635	Total Appropriation	---	---
					30. Educational, Cultural, and Intellectual Development		
1,950	2,338	---	4,288	677	32. Operation and Support of Educational Institutions	2,400	---
---	597	---	597	---	33. Supplemental Education and Training Programs	---	---
500	1,125	---	1,625	818	35. Education Administration and Management	400	---
---	1,561	---	1,561	1,157	37. Cultural and Intellectual Development Services	---	---
2,450	5,621	---	8,071	2,652	Total Appropriation	2,800	---
					40. Community Development and Environmental Management		
39,555	43,275	5,717	88,547	27,993	42. Natural Resource Management	52,714	42,189
---	2	---	2	---	43. Science and Technical Programs	---	---
77,212	70,995	-14,835	133,372	71,258	44. Site Remediation and Waste Management	64,310	50,422
---	---	---	---	---	46. Environmental Planning and Administration	---	---
---	1,799	---	1,799	---	49. Agricultural Resources, Planning, and Regulation	250	---
116,767	116,071	-9,118	223,720	99,251	Total Appropriation	117,274	92,611
					50. Economic Planning, Development, and Security		
---	1	---	1	---	52. Economic Regulation	---	---
10,000	---	2,881	12,881	6,916	55. Social Services Programs	---	---
10,000	1	2,881	12,882	6,916	Total Appropriation	---	---
					60. Transportation Programs		
895,000	---	---	895,000	895,000	61. State and Local Highway Facilities	895,000	895,000
895,000	---	---	895,000	895,000	Total Appropriation	895,000	895,000

Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
---	288	---	288	117	70. Government Direction, Management, and Control			
202,772	64,202	19,472	286,446	220,495	71. Legislative Activities	---	---	---
7,700	12,242	-2,881	17,061	7,180	74. General Government Services	253,637	208,418	208,418
					76. Management and Administration	2,800	---	---
210,472	76,732	16,591	303,795	227,792	Total Appropriation	256,437	208,418	208,418
					80. Special Government Services			
2,000	186	---	2,186	325	83. Services to Veterans	318	---	---
2,000	186	---	2,186	325	Total Appropriation	318	---	---
1,238,779	228,955	11,278	1,479,012	1,241,131	Total Capital Construction	1,280,565	1,196,029	1,196,029
					Debt Service			
					40. Community Development and Environmental Management			
64,664	---	-1	64,663	64,663	46. Environmental Planning and Administration	56,790	59,735	59,735
64,664	---	-1	64,663	64,663	Total Appropriation	56,790	59,735	59,735
					70. Government Direction, Management, and Control			
363,121	---	1	363,122	363,120	76. Management and Administration	382,007	346,162	346,162
363,121	---	1	363,122	363,120	Total Appropriation	382,007	346,162	346,162
427,785	---	---	427,785	427,783	Total Debt Service	438,797	405,897	405,897
18,541,347	1,381,418	91	19,922,856	18,588,087	Total General Fund	19,416,639	19,303,503	18,905,658
					PROPERTY TAX RELIEF FUND			
					Grants-In-Aid			
					70. Government Direction, Management, and Control			
1,183,788	1,469	---	1,185,257	1,145,807	75. State Subsidies and Financial Aid	2,404,000	1,886,000	1,886,000
1,183,788	1,469	---	1,185,257	1,145,807	Total Appropriation	2,404,000	1,886,000	1,886,000
1,183,788	1,469	---	1,185,257	1,145,807	Total Grants-In-Aid - Property Tax Relief Fund	2,404,000	1,886,000	1,886,000
					State Aid			
					30. Educational, Cultural, and Intellectual Development			
7,086,824	6,020	-11,191	7,081,653	7,074,427	31. Direct Educational Services and Assistance	7,236,330	7,775,395	7,775,395
38,948	---	---	38,948	38,948	33. Supplemental Education and Training Programs	38,948	---	---
2,347,915	---	-8,080	2,339,835	2,297,682	34. Educational Support Services	2,738,734	2,753,421	2,753,421
27,640	---	---	27,640	27,640	36. Higher Educational Services	35,139	40,026	40,026
9,501,327	6,020	-19,271	9,488,076	9,438,697	Total Appropriation	10,049,151	10,568,842	10,568,842
					40. Community Development and Environmental Management			
9,500	---	---	9,500	9,068	46. Environmental Planning and Administration	9,828	10,000	10,000
9,500	---	---	9,500	9,068	Total Appropriation	9,828	10,000	10,000

Year Ending June 30, 2007					Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recom- mended
1,192,106	---	-84,208	1,107,898	1,102,392	70. Government Direction, Management, and Control		
1,192,106	---	-84,208	1,107,898	1,102,392	75. State Subsidies and Financial Aid	1,091,758	1,091,758
10,702,933	6,020	-103,479	10,605,474	10,550,157	Total Appropriation	1,251,299	1,091,758
11,886,721	7,489	-103,479	11,790,731	11,695,964	Total State Aid - Property Tax Relief Fund	11,310,278	11,670,600
					Total Property Tax Relief Fund	13,714,278	13,556,600
							13,556,600
					CASINO CONTROL FUND		
					Direct State Services		
					10. Public Safety and Criminal Justice		
43,999	223	---	44,222	43,590	12. Law Enforcement	45,999	45,999
43,999	223	---	44,222	43,590	Total Appropriation	45,999	45,999
29,440	664	---	30,104	29,473	70. Government Direction, Management, and Control		
29,440	664	---	30,104	29,473	73. Financial Administration	29,440	29,440
73,439	887	---	74,326	73,063	Total Appropriation	29,440	29,440
73,439	887	---	74,326	73,063	Total Direct State Services - Casino Control Fund	75,439	75,439
					Total Casino Control Fund	75,439	75,439
							75,439
					CASINO REVENUE FUND		
					Direct State Services		
					20. Physical and Mental Health		
871	25	114	1,010	948	26. Senior Services	871	871
871	25	114	1,010	948	Total Appropriation	871	871
92	---	---	92	6	80. Special Government Services		
92	---	---	92	6	82. Protection of Citizens' Rights	92	92
963	25	114	1,102	954	Total Appropriation	92	92
					Total Direct State Services - Casino Revenue Fund	963	963
							963
					Grants-In-Aid		
					20. Physical and Mental Health		
529	---	---	529	529	21. Health Services	529	529
316,381	9,497	-114	325,764	258,153	26. Senior Services	259,279	258,419
131,222	---	---	131,222	131,222	27. Disability Services	80,328	97,941
448,132	9,497	-114	457,515	389,904	Total Appropriation	340,136	356,889
32,516	---	---	32,516	31,750	30. Educational, Cultural, and Intellectual Development		
32,516	---	---	32,516	31,750	32. Operation and Support of Educational Institutions	32,516	32,516
					Total Appropriation	32,516	32,516
							32,516

Year Ending June 30, 2007					Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2008 Adjusted Approp.	Requested	Recom- mended
2,440	---	---	2,440	2,440	50. Economic Planning, Development, and Security		
2,440	---	---	2,440	2,440	54. Manpower and Employment Services		
483,088	9,497	-114	492,471	424,094	2,440	2,440	2,440
					Total Appropriation	2,440	2,440
					Total Grants-In-Aid - Casino Revenue Fund	375,092	391,845
							391,845
					State Aid		
					60. Transportation Programs		
34,930	---	---	34,930	34,930	62. Public Transportation		
34,930	---	---	34,930	34,930	36,928	33,018	33,018
34,930	---	---	34,930	34,930	Total Appropriation	36,928	33,018
					Total State Aid - Casino Revenue Fund	36,928	33,018
							33,018
518,981	9,522	---	528,503	459,978	Total Casino Revenue Fund	412,983	425,826
							425,826
					GUBERNATORIAL ELECTIONS FUND		
					Grants-In-Aid		
					10. Public Safety and Criminal Justice		
---	---	---	---	---	13. Special Law Enforcement Activities		
---	---	---	---	---	---	5,080	5,080
---	---	---	---	---	Total Appropriation	---	5,080
					Total Grants-In-Aid - Gubernatorial Elections Fund	---	5,080
							5,080
					Total Gubernatorial Elections Fund	---	5,080
							5,080
31,020,488	1,399,316	-103,388	32,316,416	30,817,092	GRAND TOTAL STATE APPROPRIATIONS	33,619,339	33,366,448
							32,968,603

GRANTS-IN-AID

Summary of Appropriations by Department
(thousands of dollars)

Year Ending June 30, 2007						Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
5,025	412	730	6,167	5,751	Department of Agriculture	4,975	4,075	4,075
676,769	10	10,443	687,222	656,341	Department of Children and Families	753,952	755,067	755,067
61,845	13,274	6,603	81,722	73,563	Department of Community Affairs	54,255	64,860	64,860
133,151	4,402	-41	137,512	136,668	Department of Corrections	151,098	121,591	121,591
39,713	---	579	40,292	36,054	Department of Education	31,688	18,453	18,453
27,165	17,240	-750	43,655	4,744	Department of Environmental Protection	35,947	19,481	19,481
1,426,416	4,735	-12,052	1,419,099	1,256,783	Department of Health and Senior Services	1,403,266	1,229,394	1,229,394
3,631,689	196,537	-21,119	3,807,107	3,708,626	Department of Human Services	3,860,488	3,802,976	3,802,976
54,533	16	---	54,549	54,468	Department of Labor and Workforce Development	69,735	69,524	69,524
22,469	98	---	22,567	21,949	Department of Law and Public Safety	28,085	27,423	27,423
1,544	69	184	1,797	1,786	Department of Military and Veterans' Affairs	3,044	3,174	3,174
1,183,738	10,938	-189	1,194,487	1,182,894	Department of State	1,256,428	1,505,725	1,159,575
300,700	3,167	140	304,007	300,808	Department of Transportation	298,200	358,200	358,200
404,110	35,156	3,171	442,437	320,290	Department of the Treasury	403,533	422,921	408,865
896,843	14,659	-13,022	898,480	882,851	Interdepartmental Accounts	900,773	944,795	944,795
8,865,710	300,713	-25,323	9,141,100	8,643,576	Total Appropriation	9,255,467	9,347,659	8,987,453

STATE AID

Summary of Appropriations by Department
(thousands of dollars)

Year Ending June 30, 2007						Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
11,727	2,593	-7	14,313	11,150	Department of Agriculture	11,727	10,873	10,873
154,889	9,533	-2,249	162,173	155,028	Department of Community Affairs	92,036	55,906	55,906
840,315	8,224	80	848,619	802,205	Department of Education	916,206	1,015,495	1,015,495
11,066	140	155	11,361	11,203	Department of Environmental Protection	11,369	9,236	9,236
9,552	---	---	9,552	9,417	Department of Health and Senior Services	9,552	9,552	9,552
416,855	3,618	251	420,724	412,408	Department of Human Services	429,546	449,394	449,394
1,522	---	---	1,522	1,448	Department of Labor and Workforce Development	1,522	1,522	1,522
16,000	6,858	---	22,858	15,323	Department of Law and Public Safety	24,000	16,000	16,000
25,550	---	---	25,550	25,408	Department of State	46,065	36,548	34,681
302,734	29,899	---	332,633	291,576	Department of the Treasury	298,279	317,391	283,547
1,790,210	60,865	-1,770	1,849,305	1,735,166	Total Appropriation	1,840,302	1,921,917	1,886,206

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

Year Ending June 30, 2007						Year Ending —June 30, 2009—		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
---	288	---	288	117	Legislature	---	---	---
---	1,799	---	1,799	---	Department of Agriculture	250	---	---
10,000	---	2,881	12,881	6,916	Department of Children and Families	---	---	---
---	8,517	-1	8,516	1,125	Department of Corrections	3,936	---	---
2,450	1,638	---	4,088	1,168	Department of Education	2,800	---	---
116,767	114,270	-9,118	221,919	99,251	Department of Environmental Protection	117,024	92,611	92,611
---	246	---	246	98	Department of Health and Senior Services	---	---	---
7,700	20,653	-2,881	25,472	10,044	Department of Human Services	2,800	---	---
1,500	13,122	---	14,622	4,195	Department of Law and Public Safety	3,800	---	---
2,590	2,465	925	5,980	1,565	Department of Military and Veterans' Affairs	1,318	---	---
---	1,624	---	1,624	1,157	Department of State	---	---	---
895,000	191	---	895,191	895,000	Department of Transportation	895,000	895,000	895,000
---	20,419	8,879	29,298	11,760	Department of the Treasury	6,500	---	---
---	2	---	2	---	Miscellaneous Commissions	---	---	---
202,772	43,721	10,593	257,086	208,735	Interdepartmental Accounts	247,137	208,418	208,418
1,238,779	228,955	11,278	1,479,012	1,241,131	Total Appropriation	1,280,565	1,196,029	1,196,029

DEBT SERVICE
(thousands of dollars)

Year Ending June 30, 2007						Year Ending —June 30, 2009—		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
173,539	---	1	173,540	173,538	Interest on Bonds	171,722	157,785	157,785
254,246	---	-1	254,245	254,245	Bond Redemption	267,075	248,112	248,112
427,785	---	---	427,785	427,783	Total Appropriation	438,797	405,897	405,897
825	---	---	825	825	Water Conservation Bonds (P.L. 1969, c. 127)	721	---	---
157	---	---	157	157	State Recreation and Conservation Land Acquisition and Development Bonds (P.L. 1974, c. 102)	---	---	---
205	---	---	205	205	Clean Waters Bonds (P.L. 1976, c. 92)	100	105	105
813	---	-1	812	812	State Land Acquisition and Development Bonds (P.L. 1978, c. 118)	277	433	433
786	---	---	786	786	Transportation Rehabilitation and Improvement Bonds (P.L. 1979, c. 165)	---	---	---
236	---	---	236	236	Energy Conservation Bonds (P.L. 1980, c. 68)	236	40	40
1,888	---	---	1,888	1,888	Natural Resources Bonds (P.L. 1980, c. 70)	1,731	1,729	1,729
744	---	---	744	744	Hazardous Discharge Bonds (P.L. 1981, c. 275)	587	336	336
555	---	1	556	555	Community Development Bonds (P.L. 1981, c. 486)	318	---	---
100	---	---	100	100	1983 New Jersey Green Acres Bonds (P.L. 1983, c. 354)	100	---	---
53	---	---	53	53	Shore Protection Bonds (P.L. 1983, c. 356)	---	---	---

Year Ending June 30, 2007						Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
235	---	---	235	235	Human Services Facilities Construction Bonds (P.L. 1984, c. 157)	---	---	---
311,650	---	---	311,650	311,649	Refunding Bonds (P.L. 1985, c. 74 as amended by P.L. 1992, c. 182)	322,392	305,456	305,456
1,340	---	---	1,340	1,340	Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c. 330)	1,338	1,341	1,341
11,567	---	---	11,567	11,567	Hazardous Discharge Bonds (P.L. 1986, c. 113)	10,164	7,897	7,897
802	---	---	802	802	1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L. 1987, c. 265)	806	1,330	1,330
5,888	---	---	5,888	5,888	Jobs, Education and Competitiveness Bonds (P.L. 1988, c. 78)	1,954	1,407	1,407
4,138	---	---	4,138	4,138	1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation Bonds (P.L. 1989, c. 180)	3,614	2,120	2,120
676	---	---	676	676	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	682	1,040	1,040
7,578	---	---	7,578	7,578	1989 New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	4,903	1,976	1,976
1,736	---	---	1,736	1,736	Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L. 1989, 184)	1,736	1,734	1,734
16,271	---	---	16,271	16,271	Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 (P.L. 1992, c.88)	13,748	7,497	7,497
9,217	---	---	9,217	9,217	Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction Bonds (P.L. 1994, c. 108)	8,646	6,742	6,742
16,509	---	---	16,509	16,509	Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act (P.L. 1995, c. 204)	16,512	13,515	13,515
5,136	---	---	5,136	5,136	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996 c. 70)	5,121	10,343	10,343
3,808	---	---	3,808	3,808	Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L. 1997, c. 125)	3,809	3,808	3,808
24,872	---	---	24,872	24,872	Statewide Transportation and Local Bridge Bond Act of 1999 (P.L. 1999, c.181)	24,853	24,855	24,855
---	---	---	---	---	Dam, Lake, Stream, Water Resources and Wastewater Treatment Project Bonds (P.L. 2003, c. 162)	---	12,193	12,193
---	---	---	---	---	Payments on Future Bond Sales	14,449	---	---
427,785	---	---	427,785	427,783	Total Appropriation	438,797	405,897	405,897

SUMMARY
ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES

(thousands of dollars)

	----- Fiscal Year Ending June 30 -----	
	2008	2009
	<u>Estimated</u>	<u>Estimated</u>
Beginning Balances July 1		
Undesignated Fund Balances		
General Fund	\$ 1,410,354	\$ 951,118
Surplus Revenue Fund	484,565	481,398
Property Tax Relief Fund	690,723	---
Gubernatorial Elections Fund	553	1,253
Casino Control Fund	1,488	300
Casino Revenue Fund	1,000	---
<i>Total Undesignated Fund Balances</i>	<u>2,588,683</u>	<u>1,434,069</u>
State Revenues		
General Fund	18,639,289	18,410,338
Property Tax Relief Fund	12,845,593	13,556,600
Gubernatorial Elections Fund	700	700
Casino Control Fund	74,251	75,139
Casino Revenue Fund	411,983	425,826
<i>Total State Revenues</i>	<u>31,971,816</u>	<u>32,468,603</u>
Other Adjustments		
General Fund		
Balances lapsed	285,090	---
From/(To) Property Tax Relief Fund	29,857	---
From/(To) Surplus Revenue Fund	3,167	100
From/(To) Gubernatorial Elections Fund	---	(3,127)
From/(To) Long Term Obligation and Capital Expenditure Reserve	---	(334,069)
Property Tax Relief Fund		
From/(To) General Fund	(29,857)	---
Balances lapsed	207,819	---
Surplus Revenue Fund		
From/(To) General Fund	(3,167)	(100)
Gubernatorial Elections Fund		
From/(To) General Fund	---	3,127
Long Term Obligation and Capital Expenditure Reserve		
From/(To) General Fund	---	334,069
<i>Total Other Adjustments</i>	<u>492,909</u>	<u>---</u>
<i>Total Available</i>	<u>35,053,408</u>	<u>33,902,672</u>
Appropriations		
General Fund	19,416,639	18,905,658
Property Tax Relief Fund	13,714,278	13,556,600
Gubernatorial Elections Fund	---	5,080
Casino Control Fund	75,439	75,439
Casino Revenue Fund	412,983	425,826
<i>Total Appropriations</i>	<u>33,619,339</u>	<u>32,968,603</u>
Ending Balances June 30		
Undesignated Fund Balances		
General Fund	951,118	118,702
Surplus Revenue Fund	481,398	481,298
Property Tax Relief Fund	---	---
Gubernatorial Elections Fund	1,253	---
Casino Control Fund	300	---
Casino Revenue Fund	---	---
Long Term Obligation and Capital Expenditure Reserve	---	334,069
<i>Total Undesignated Fund Balances</i>	<u>\$ 1,434,069</u>	<u>\$ 934,069</u>

STATE REVENUES
FISCAL YEARS 2008 AND 2009 ESTIMATES
(thousands of dollars)

	2008	2008	2008	2009	2008 to 2009
	Approp Act	Revised	Change	Estimate	Change
Major Taxes					
Sales	\$8,480,000	\$8,490,000	\$10,000	\$8,710,000	\$220,000
Sales Tax Dedication*	(674,000)	(674,000)	---	(691,000)	(17,000)
Sales - Energy	420,400	481,600	61,200	512,099	30,499
Corporation Business	2,520,000	2,675,000	155,000	2,460,000	(215,000)
Corporation Business - Energy	103,000	77,200	(25,800)	89,000	11,800
Motor Fuels	572,000	563,000	(9,000)	564,500	1,500
Motor Vehicle Fees	413,684	413,694	10	406,725	(6,969)
Transfer Inheritance	618,000	664,600	46,600	664,600	---
Insurance Premium	466,000	466,000	---	466,000	---
Cigarette	236,809	237,130	321	227,992	(9,138)
Petroleum Products Gross Receipts	233,000	231,200	(1,800)	230,000	(1,200)
Public Utility Excise (Reform)	10,726	10,751	25	10,751	---
Corporation Banks and Financial Institutions	130,000	132,600	2,600	132,600	---
Alcoholic Beverage Excise	93,000	92,500	(500)	92,600	100
Realty Transfer	380,000	377,300	(2,700)	377,300	---
Tobacco Products Wholesale Sales	13,000	14,400	1,400	14,700	300
Total Major Taxes	14,015,619	14,252,975	237,356	14,267,867	14,892
Miscellaneous Taxes, Fees, Revenues					
Assessment on Real Property Greater Than \$1 Million	140,000	131,200	(8,800)	131,200	---
Medicaid Uncompensated Care	488,345	493,341	4,996	490,382	(2,959)
Good Driver	71,950	79,000	7,050	79,000	---
Hotel/Motel Occupancy Tax	79,000	87,000	8,000	90,000	3,000
Investment Earnings	---	63,000	63,000	40,000	(23,000)
Public Utility GRFT	87,100	87,225	125	87,225	---
TEFA	232,104	252,960	20,856	181,899	(71,061)
Fringe Benefit Recoveries	451,555	431,335	(20,220)	515,185	83,850
Other Miscellaneous Revenue	1,197,080	1,181,245	(15,835)	1,147,788	(33,457)
Total Miscellaneous Taxes, Fees, Revenues	2,747,134	2,806,306	59,172	2,762,679	(43,627)
Interfund Transfers					
State Lottery Fund	845,000	859,000	14,000	853,000	(6,000)
Tobacco Settlement/Securitization	114,308	118,728	4,420	65,388	(53,340)
Other Funds	593,310	602,280	8,970	461,404	(140,876)
Total Interfund Transfers	1,552,618	1,580,008	27,390	1,379,792	(200,216)
Total State Revenues General Fund	18,315,371	18,639,289	323,918	18,410,338	(228,951)
Property Tax Relief Fund					
Gross Income Tax	12,379,000	12,171,593	(207,407)	12,865,600	694,007
Sales Tax Dedication*	674,000	674,000	---	691,000	17,000
Total Property Tax Relief Fund	13,053,000	12,845,593	(207,407)	13,556,600	711,007
Casino Control Fund	73,889	74,251	362	75,139	888
Casino Revenue Fund	433,033	411,983	(21,050)	425,826	13,843
Gubernatorial Elections Fund	700	700	---	700	---
TOTAL STATE REVENUES	\$31,875,993	\$31,971,816	\$95,823	\$32,468,603	\$496,787

*For FY08 \$674 million and for FY09 \$691 million will be transferred from Sales Tax to the Property Tax Relief Fund representing the Sales Tax dedication.

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Major Taxes:			
Sales	8,609,639	8,971,600	9,222,099
Less: Sales Tax Dedication	(649,324)	(674,000)	(691,000)
Corporation Business	3,084,921	2,752,200	2,549,000
Transfer Inheritance	604,700	664,600	664,600
Motor Fuels	561,519	563,000	564,500
Insurance Premium	448,242	466,000	466,000
Motor Vehicle Fees	413,401	413,694	406,725
Realty Transfer	393,835	377,300	377,300
Petroleum Products Gross Receipts	232,442	231,200	230,000
Cigarette	206,088	237,130	227,992
Corporation Banks and Financial Institutions	123,007	132,600	132,600
Alcoholic Beverage Excise	92,293	92,500	92,600
Tobacco Products Wholesale Sales	13,746	14,400	14,700
Public Utility Excise (Reform)	10,752	10,751	10,751
<i>Total Major Taxes</i>	<u>14,145,261</u>	<u>14,252,975</u>	<u>14,267,867</u>
Miscellaneous Taxes, Fees, and Revenues:			
Executive Branch--			
Department of Agriculture:			
Animal Disease Control	99	---	---
Environmental Services	4	---	---
Fertilizer Inspection Fees	510	366	366
Garden State Farmland Preservation Fund	670	---	---
Milk Control Licenses and Fees	664	---	---
Miscellaneous Revenue	431	7	7
	<u>2,378</u>	<u>373</u>	<u>373</u>
Department of Banking and Insurance:			
Actuarial Services	80	55	55
Bank Assessments	9,860	9,800	9,800
Banking - Examination Fees	856	---	---
Banking - Licenses and Other Fees	4,889	3,250	3,250
FAIR Act Administration	22,131	19,000	19,000
Fraud Fines	1,547	2,000	2,000
HMO Covered Lives	1,819	1,595	1,595
Insurance - Examination Billings	2,093	2,500	2,500
Insurance - Special Purpose Assessment	13,563	14,000	14,000
Insurance Fraud Prevention	33,384	33,000	33,000
Insurance Licenses and Other Fees	33,345	26,480	25,480
Public Adjusters Licenses	118	---	---
Real Estate Commission	10,379	6,500	10,000
	<u>134,064</u>	<u>118,180</u>	<u>120,680</u>
Department of Children and Families:			
Child Care Licensing/Adoption Law	349	350	350
Marriage License Fees	1,308	1,309	1,309
	<u>1,657</u>	<u>1,659</u>	<u>1,659</u>
Department of Community Affairs:			
Affordable Housing and Neighborhood Preservation - Fair Housing	22,500	20,975	20,975
Boarding Home Fees	673	---	---
Construction Fees	19,051	15,954	15,954
Divorce Filing Fees	1,571	1,500	1,500
Fire Safety	26,083	16,067	16,067
Housing Inspection Fees	12,168	8,927	8,927
Miscellaneous Revenue	104	---	---
NJ Meadowlands Commission	300	---	---
Planned Real Estate Development Fees	2,337	828	828
Truth In Renting	173	---	---
	<u>84,960</u>	<u>64,251</u>	<u>64,251</u>

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Department of Corrections:			
Miscellaneous Revenue	139	---	---
Department of Education:			
Audit Recoveries	622	1,500	425
Audit of Enrollments	222	136	135
Local School District Loan Recoveries - NJEDA	8,100	7,009	6,078
Nonpublic Schools Handicapped and Auxiliary Recoveries	12,424	4,000	4,000
Nonpublic Schools Textbook Recoveries	1,452	1,200	1,200
School Construction Inspection Fees	1,734	585	530
State Board of Examiners	5,553	4,800	4,800
	30,107	19,230	17,168
Department of Environmental Protection:			
Air Pollution Fees - Minor Sources	6,036	6,300	6,300
Air Pollution Fees - Title V Operating Permits	14,244	13,100	10,700
Air Pollution Fines	4,324	2,800	2,800
Clean Water Enforcement Act	3,669	1,510	2,000
Coastal Area Facility Review Act	2,484	2,100	2,100
Endangered Species Tax Checkoff	219	158	158
Environmental Infrastructure Financing Program Administrative Fee	6,200	5,000	5,000
Excess Diversion	223	366	230
Freshwater Wetlands Fees	4,040	4,258	4,258
Freshwater Wetlands Fines	829	200	300
Garden State Green Acres Preservation Trust Fund	105	---	---
Hazardous Discharge Site Cleanup	7,757	---	---
Hazardous Waste Fees	1,873	3,873	3,949
Hazardous Waste Fines	889	700	700
Highlands Permitting	584	426	426
Hunters' and Anglers' Licenses	12,398	11,000	11,000
Industrial Site Recovery Act	613	738	1,045
Laboratory Certification Fees	821	830	2,400
Laboratory Certification Fines	65	80	80
Lake Restoration Fund	214	---	---
Marina Rentals	1,331	885	885
Marine Lands - Preparation and Filing Fees	3,048	159	159
Medical Waste	4,367	4,400	4,400
Miscellaneous Revenue	19	---	---
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	19,156	16,700	16,700
New Jersey Spill Compensation Fund	7,506	---	---
Parks Management Fees and Permits	5,468	4,300	4,300
Parks Management Fines	124	135	140
Pesticide Control Fees	4,405	4,400	4,400
Pesticide Control Fines	131	80	80
Pollution Prevention Fund	137	---	---
Radiation Protection Fees	4,934	3,858	6,104
Radiation Protection Fines	88	90	90
Radon Testers Certification	252	280	280
Shellfish and Marine Fisheries	7	7	7
Solid Waste - Utility Regulation Assessments	5,168	3,100	3,100
Solid Waste Fines	517	650	650
Solid Waste Management Fees	9,962	7,482	9,900
Solid and Hazardous Waste Disclosure	305	---	---
Spring Meadow Golf Course	222	250	250
Stream Encroachment	4,757	3,710	3,710
Toxic Catastrophe Prevention Fees	1,442	1,555	1,615
Toxic Catastrophe Prevention Fines	3	75	50
Treatment Works Approval	2,204	1,780	1,780
Underground Storage Tanks Fees	1,005	1,200	1,200
Water Allocation	4,906	2,050	2,050
Water Supply Fund	168	---	---
Water Supply Management Regulations	2,062	1,700	1,700
Water/Wastewater Operators Licenses	208	210	210
Waterfront Development Fees	2,795	2,931	2,931
Waterfront Development Fines	5	15	10
Well Permits/Well Drillers/Pump Installers Licenses	1,286	1,100	1,100
Wetlands	143	44	44
Worker Community Right to Know - Fees	217	---	---
Worker Community Right to Know - Fines	54	60	60
	155,989	116,645	121,351

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Department of Health and Senior Services:			
Admission Charge Hospital Assessment	6,000	6,000	6,000
Autism Medical Research	3,798	---	---
Clinical Laboratory	679	---	---
Consumer Health Penalties	5,328	---	---
Health Care Reform	1,200	1,200	1,200
Licenses, Fines, Permits, Penalties and Fees	7,621	790	790
Miscellaneous Revenue	10,892	400	400
Pharmaceutical Assistance to the Aged - Recoveries	528	---	---
	36,046	8,390	8,390
Department of Human Services:			
Commission for the Blind	718	---	---
Early Periodic Screening, Diagnosis and Treatment	2,164	1,800	---
Family Care II	256	---	---
General Assistance Prescription Drug Rebates	3,000	---	---
Interim Assistance	461	---	---
Medicaid Uncompensated Care - Acute	146,716	274,858	274,622
Medicaid Uncompensated Care - Mental Health	38,689	39,798	37,075
Medicaid Uncompensated Care - Psychiatric	189,674	178,685	178,685
Medical Assistance - Federal Match on PAAD/Medicaid Dual Eligibles	1,879	---	---
Medical Assistance - Recoveries	1,098	---	---
Miscellaneous Federal Revenue Initiatives	44	---	---
Miscellaneous Revenue	1,667	1,500	1,500
Patients' and Residents' Cost Recovery - Developmental Disability	17,107	18,366	18,412
Patients' and Residents' Cost Recovery - Psychiatric Hospitals	71,016	71,261	73,611
Payments for Medical Assistance Recipients - Prescription Drugs	120,000	---	---
Purchased Institutional Care	1,011	---	---
	595,500	586,268	583,905
Department of Labor and Workforce Development:			
Miscellaneous Revenue	132	155	155
New Jersey Workforce Development Partnership Fund - WDP Program	1,915	---	---
New Jersey Workforce Development Partnership Fund - Work First NJ	25,500	---	---
Special Compensation Fund	2,088	1,778	1,778
State Disability Benefits Fund	10,179	---	---
Urban Enterprise Zone Administration Cost	57	---	---
Workers' Compensation Assessment	19,919	13,009	13,009
Workplace Standards - Licenses, Permits and Fines	12,631	4,720	4,720
	72,421	19,662	19,662
Department of Law and Public Safety:			
Beverage Licenses	9,487	3,960	3,960
Charities Registration Section	1,744	695	695
Consumer Affairs	6,316	---	---
Controlled Dangerous Substances	722	100	100
EDA School Construction Recoveries	499	499	166
Forfeiture Funds	250	250	---
General Client Services	35,893	---	---
Legal Services	27,162	---	---
Legalized Games of Chance Control	1,879	1,200	1,200
Miscellaneous Revenue	1,419	50	55
New Jersey Cemetery Board	218	111	22
New Jersey Emergency Medical Service Helicopter Response Program	21,000	---	---
Pleasure Boat Licenses	2,102	3,000	2,102
Private Employment Agencies	763	258	258
Retired Officer Handgun Permit	209	---	---
Securities Enforcement	17,488	8,994	8,994
State Board of Architects	962	450	360
State Board of Audiology and Speech-Language Pathology Advisory	79	270	14
State Board of Certified Psychoanalysts	---	40	---
State Board of Certified Public Accountants	841	42	850
State Board of Chiropractors	241	545	72
State Board of Cosmetology and Hairstyling	6,158	970	2,398
State Board of Court Reporting	57	122	5
State Board of Dentistry	801	1,650	180
State Board of Electrical Contractors	335	120	684
State Board of Marriage Counselor Examiners	963	93	362
State Board of Master Plumbers	920	45	283
State Board of Medical Examiners	20,290	2,710	4,403
State Board of Mortuary Science	611	225	191
State Board of Nursing	11,029	6,450	4,114

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
State Board of Occupational Therapists and Assistants	76	24	13
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	113	242	11
State Board of Optometrists	826	18	239
State Board of Orthotics and Prosthetics	84	5	33
State Board of Pharmacy	3,067	450	1,195
State Board of Physical Therapy	215	301	20
State Board of Polysomnography	---	50	50
State Board of Professional Engineers and Land Surveyors	838	960	225
State Board of Professional Planners	61	215	117
State Board of Psychological Examiners	895	60	256
State Board of Public Movers and Warehousemen	275	---	---
State Board of Real Estate Appraisers	369	410	78
State Board of Respiratory Care	80	301	22
State Board of Social Workers	1,792	120	633
State Board of Veterinary Medical Examiners	567	42	211
State Police - Fingerprint Fees	18,181	3,694	3,694
State Police - Nuclear Facilities Security Detail	---	3,200	1,600
State Police - Other Licenses	266	227	250
State Police - Private Detective Licenses	454	220	220
Victim and Witness Advocacy Fund	1,128	---	---
Victims of Violent Crime Compensation	8,066	3,930	430
Weights and Measures - General	4,028	2,612	2,612
	<hr/>	<hr/>	<hr/>
Department of Military and Veterans' Affairs:	211,819	49,930	43,377
Miscellaneous Revenue	3,170	---	---
Nuclear Facilities Security Detail	---	5,860	2,930
Soldiers' Homes	33,953	37,588	38,962
	<hr/>	<hr/>	<hr/>
	37,123	43,448	41,892
Department of Personnel:			
Examination Fees	1,155	---	---
Human Resource Development Institute	2,576	---	---
	<hr/>	<hr/>	<hr/>
	3,731	---	---
Department of the Public Advocate:			
Licenses, Fines, Permits, Penalties and Fees	5	---	---
Office of Dispute Settlement Mediation	44	100	50
Rate Counsel	7,288	7,449	6,749
	<hr/>	<hr/>	<hr/>
	7,337	7,549	6,799
Department of State:			
Governor's Teaching Scholars Program Loan Repayment	80	54	50
Miscellaneous Revenue	152	8	8
New Jersey World Trade Center Scholarship Program	10	---	---
	<hr/>	<hr/>	<hr/>
	242	62	58
Department of Transportation:			
Air Safety Fund	1,921	965	965
Applications and Highway Permits	2,500	1,300	1,300
Autonomous Transportation Authorities	52,209	24,500	24,500
Good Driver	78,751	79,000	79,000
Interest on Purchase of Right of Way	81	5	5
Logo Sign Program Fees	403	300	300
Miscellaneous Revenue	56	---	---
Outdoor Advertising	5,711	740	740
Placarded Railcar	224	---	---
Rental Receipts - Tenant Relocation Program	360	---	---
	<hr/>	<hr/>	<hr/>
	142,216	106,810	106,810
Department of the Treasury:			
Assessment on Real Property Greater Than \$1 Million	127,714	131,200	131,200
Assessments - Cable TV	4,564	4,886	4,809
Assessments - Public Utility	30,327	31,993	31,200
Casino Fines	221	---	---
Coin Operated Telephones	4,854	4,800	4,800
Commercial Property Tax over \$1 Million	24,874	---	---
Commercial Recording - Expedited	2,701	2,153	2,153
Commissions (Notary)	1,799	1,600	1,700
Communication Fee - Lottery	50	---	---
Cost Assessment	5,334	---	---
Criminal Disposition	425	---	---
Domestic Security	34,843	34,500	34,500

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Dormitory Safety Trust Fund - Debt Service Recovery	---	5,698	5,694
Enhanced Debt Collection	---	15,500	57,500
Equipment Leasing Fund - Debt Service Recovery	4,625	3,480	2,252
Escrow Interest - Construction Accounts	61	80	80
Fur Clothing Tax	1,859	2,000	2,000
General Revenue - Fees (Commercial Recording and UCC)	52,555	50,500	51,500
Higher Education Capital Improvement Fund - Debt Service Recovery	---	15,299	15,298
Hotel/Motel Occupancy Tax	84,195	87,000	90,000
Investment Earnings	123,128	63,000	40,000
MVC Securitization	155	---	---
Miscellaneous Revenue	3,926	10,200	2,200
NJ Economic Development Authority	10	---	---
NJ Public Records Preservation	57,121	36,100	29,100
Non-Pledged Dedicated Cigarette Tax	---	41,626	---
Nuclear Emergency Response Assessment	5,363	5,335	4,346
Public Defender Client Receipts	4,661	4,900	4,900
Public Utility Fines	2,675	1,000	1,000
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	87,225	87,225	87,225
Railroad Tax - Class II	4,298	4,000	4,000
Railroad Tax - Franchise	1,498	1,000	1,000
Sale of Real Property	7,890	1,800	---
State Disability Benefits Fund	71	---	---
State Lottery Fund	7,073	---	---
Stormwater Management-Combined Sewer Overflow	603	---	---
Surplus Property	2,298	1,500	1,500
Tax Audit Services - Uncollected Revenue Recovery	335	---	---
Tax Referral Cost Recovery Fee	4,972	5,000	5,500
Telephone Assessment	128,861	129,000	129,000
Tire Clean-Up Surcharge	9,817	10,000	10,000
Transitional Energy Facilities Assessment	217,427	252,960	181,899
	1,050,408	1,045,335	936,356
Other Sources:			
Miscellaneous Revenue	2,134	500	500
Interdepartmental Accounts:			
Administration and Investment of Pension and Health Benefit Funds - Recoveries	22,475	3,114	3,114
Employee Maintenance Deductions	300	300	300
Fringe Benefit Recoveries from Colleges and Universities	148,121	146,953	174,868
Fringe Benefit Recoveries from Federal and Other Funds	240,121	234,982	284,417
Fringe Benefit Recoveries from School Districts	54,693	49,400	55,900
Indirect Cost Recoveries - DEP Other Funds	8,702	8,300	8,100
MTF Revenue Fund	35,391	45,500	30,500
Miscellaneous Revenue	4	---	---
Rent of State Building Space	2,533	2,534	2,534
Social Security Recoveries from Federal and Other Funds	62,673	63,101	65,625
Standard Offer Payments - Utilities	814	---	---
	575,827	554,184	625,358
Judicial Branch--			
The Judiciary:			
Civil Arbitration Program	2,335	---	---
Court Fees	62,478	63,830	64,090
Miscellaneous Revenue	432	---	---
	65,245	63,830	64,090
<i>Total Miscellaneous Taxes, Fees, and Revenues</i>	3,209,343	2,806,306	2,762,679

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Interfund Transfers:			
Beaches and Harbor Fund	86	86	86
Clean Energy Fund	---	10,000	10,000
Clean Waters Fund	---	7	7
Correctional Facilities Construction Fund	31	14	15
Correctional Facilities Construction Fund of 1987	46	26	13
Cultural Centers and Historic Preservation Fund	73	350	125
Dam, Lake, Stream and Flood Control Project Fund - 2003	---	434	343
Developmental Disabilities Waiting List Reduction Fund	574	425	325
Dredging and Containment Facility Fund	355	390	390
Emergency Flood Control Fund	19	16	13
Energy Conservation Fund	15	15	15
Enterprise Zone Assistance Fund	14,607	16,311	17,942
Fund for the Support of Free Public Schools	5,985	6,050	6,050
Garden State Farmland Preservation Trust Fund	1,697	1,795	1,795
Garden State Green Acres Preservation Trust Fund	4,768	5,249	5,249
Garden State Historic Preservation Trust Fund	504	616	616
Hazardous Discharge Fund	10	10	10
Hazardous Discharge Site Cleanup Fund	16,296	16,931	16,931
Housing Assistance Fund	228	255	250
Human Services Facilities Construction Fund	2	12	---
Jobs, Education and Competitiveness Fund	227	97	43
Jobs, Science and Technology Fund	1	---	---
Judiciary Bail Fund	1,876	1,950	1,950
Judiciary Child Support and Paternity Fund	569	400	400
Judiciary Probation Fund	510	525	525
Judiciary Special Civil Fund	168	190	190
Judiciary Superior Court Miscellaneous Fund	279	225	225
Legal Services Fund	10,905	10,410	10,410
Mortgage Assistance Fund	1,157	880	835
Motor Vehicle Security Responsibility Fund	13	13	13
NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund	336	334	325
Natural Resources Fund	161	150	125
New Jersey Green Acres Fund - 1983	1,070	1,070	1,070
New Jersey Spill Compensation Fund	15,111	15,783	15,783
New Jersey Workforce Development Partnership Fund	15,193	17,567	17,567
Pineland Infrastructure	8	---	---
Pollution Prevention Fund	1,497	1,549	1,549
Public Purpose Buildings Construction Fund	8	8	8
Public Purpose Buildings and Community-Based Facilities Construction Fund	193	170	100
Safe Drinking Water Fund	2,149	2,433	2,433
Sanitary Landfill Facility Contingency Fund	5,000	---	---
School Fund Investment Account	3,575	4,030	4,030
Shore Protection Fund	570	537	481
Solid Waste Service Tax Fund	12	12	12
State Disability Benefit Fund	76,811	104,243	29,243
State Lottery Fund	828,326	859,000	853,000
State Lottery Fund - Administration	21,206	22,118	22,118
State Recreation and Conservation Land Acquisition and Development Fund	25	25	25
State of New Jersey Cash Management Fund	2,796	2,796	2,796
Statewide Transportation and Local Bridge Fund	1,556	1,556	1,556
Supplemental Workforce Fund for Basic Skills	1,781	2,000	2,000
Tobacco Settlement Fund	15,674	118,728	65,388
Unclaimed Insurance Payments on Deposit Accounts Fund	29	---	---
Unclaimed Personal Property Trust Fund	314,163	244,900	178,000
Unclaimed Utility Deposits Trust Fund	216	175	225
Unemployment Compensation Auxiliary Fund	22,297	26,307	26,357
Universal Services Fund	72,613	72,616	72,616
Wage and Hour Trust Fund	132	75	75
Water Conservation Fund	40	40	40
Water Supply Fund	3,898	4,321	4,321
Worker and Community Right to Know Fund	3,426	3,783	3,783
<i>Total Interfund Transfers</i>	<u>1,470,873</u>	<u>1,580,008</u>	<u>1,379,792</u>
<i>Total State Revenues General Fund</i>	<u>18,825,477</u>	<u>18,639,289</u>	<u>18,410,338</u>

**SCHEDULE 1
STATE REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
PROPERTY TAX RELIEF FUND			
Gross Income Tax	11,727,192	12,171,593	12,865,600
Sales Tax Dedication	649,324	674,000	691,000
<i>Total Property Tax Relief Fund</i>	<u>12,376,516</u>	<u>12,845,593</u>	<u>13,556,600</u>
CASINO CONTROL FUND			
Investment Earnings	214	500	500
License Fees	75,432	73,751	74,639
<i>Total Casino Control Fund</i>	<u>75,646</u>	<u>74,251</u>	<u>75,139</u>
CASINO REVENUE FUND			
Casino Simulcasting Fund	551	500	500
Gross Revenue Tax	409,913	381,277	399,760
Investment Earnings	3,474	2,500	2,500
Other Casino Taxes and Fees	36,177	27,706	23,066
PAAD Recoveries	9,497	---	---
<i>Total Casino Revenue Fund</i>	<u>459,612</u>	<u>411,983</u>	<u>425,826</u>
GUBERNATORIAL ELECTIONS FUND			
Taxpayers' Designations	551	700	700
TOTAL STATE REVENUES	<u>31,737,802</u>	<u>31,971,816</u>	<u>32,468,603</u>

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Dedicated:			
Legislative Branch--			
Legislature:			
Asset Forfeiture	18	---	---
Executive Branch--			
Chief Executive:			
State Authority Review and Oversight	654	900	900
Department of Agriculture:			
American Veterinary Medical Foundation	25	20	---
Animal Disease Control	---	80	80
Commodity Distribution	1,508	1,501	1,501
Dairy Fee Administration	248	250	250
Development Potential Transfer Bank Administration	92	100	100
Environmental Services	---	250	110
Food Distribution Assessment	72	15	15
Fruit and Vegetable Grading Service	590	600	600
Future Farmers of America - Student Loans from Department of Education	119	75	75
Garden State Preservation Trust	---	1,029	1,029
Horse Breeding and Development Fund	347	320	320
Marketing and Development Services	---	724	724
Nursery Inspection Program	---	235	235
Organic Certification	141	75	75
Plant Pest and Disease Control	---	15	15
Poultry Service	844	610	608
Sire Stakes	4,543	4,500	4,000
Soybean Rust Early Detection Program	11	---	---
Standardbred Breeder Awards	180	240	240
Stormwater Discharge Administration	162	174	187
Wine Promotion Program	127	90	90
Miscellaneous	285	212	207
	9,294	11,115	10,461
Department of Banking and Insurance:			
Individual Health Care Program Assessments	24,542	---	---
Public Adjusters Licensing	---	52	52
Small Employer Health Benefits	626	380	380
Supervision and Examination of Financial Institutions	---	400	400
Miscellaneous	144	---	---
	25,312	832	832
Department of Children and Families:			
Adopt U.S. Kids	43	---	---
Child Protective and Permanency Services	---	1,852	---
Criminal History Record Checks	360	120	120
Domestic Violence Victims Fund	604	---	---
Education Consolidation Improvement Act - General and Administration	86	---	---
Education Services	51,871	52,495	53,878
Legally Responsible Relatives - Probation Supplement	4,304	2,054	2,054
Old Age Survivors Insurance	2,048	1,492	1,492
Treatment Homes - Title IV-E	78	---	---
	59,394	58,013	57,544
Department of Community Affairs:			
Boarding Home Regulation and Assistance	---	825	975
Comfort Partners Program	2,484	4,700	4,800
Fire Certification Program	209	328	342
Grants to Displaced Homemaker Centers	719	688	688
Historic Preservation License	21	25	25
Housing Code Enforcement	---	2,900	2,900
Housing Opportunities for Persons with AIDS	685	1,318	1,318
Housing Services	71,325	71,000	71,000
Lead Hazard Control Assistance Fund	387	904	1,012
Neighborhood Revitalization Tax Credit	600	600	600
New Home Warranty Program	5,011	5,184	5,408
New Jersey Meadowlands Commission - Operations	---	110	125
Paterson Housing Opportunities for Persons with AIDS Program	860	1,003	987
Prevention of Homelessness	209	263	243
Section 8 Housing Voucher Portability	---	1,600	1,600
Subcontract with the City of Camden - Section 8	637	637	637
Truth in Renting	---	93	---

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Uniform Construction Code	---	9,300	9,300
Uniform Fire Code	---	9,400	9,400
Universal Service Fund	5,677	4,500	4,600
Miscellaneous	1,372	1,179	1,400
	<u>90,196</u>	<u>116,557</u>	<u>117,360</u>
Department of Corrections:			
Administration and Support Services	27,182	24,320	24,586
Auto Theft Penalty Collections	5	---	---
Child Support Payment Collection and Distribution	1	---	---
Nicholson Foundation - Distance Learning Pilot Program	---	14	---
Nicholson Foundation - Reentry Grant	---	137	122
Nicholson Foundation - Reentry Initiative Expansion	---	---	71
Nicholson Foundation Grant - Reentry and Access to Programs	62	235	235
Workplace Literacy - Learning Lab Program	458	---	---
	<u>27,708</u>	<u>24,706</u>	<u>25,014</u>
Department of Education:			
Compliance and Auditing	850	850	850
Katzenbach One on One Aides	567	510	448
Katzenbach PLUS Program	740	744	638
Katzenbach Partnership Programs	46	145	---
Katzenbach Summer Program	177	252	200
Marie H. Katzenbach School for the Deaf - Tuition from Local Boards	8,733	9,174	10,466
NJSIAA Steriod Testing	---	---	50
Professional Development and Licensure	---	1,000	1,292
Rental of Vacant Building Space	530	422	380
School District Deficit Relief	1,000	1,000	1,000
State Action for Education Leadership Project	225	---	---
Miscellaneous	65	41	41
	<u>12,933</u>	<u>14,138</u>	<u>15,365</u>
Department of Environmental Protection:			
Administrative Costs - Natural Resources Damages	1,922	1,305	1,819
Administrative Costs Water Supply Bond Act of 1981 - Management	---	31	84
Administrative Costs Water Supply Bond Act of 1981 - Planning and Standards	---	25	9
Administrative Costs Water Supply Bond Act of 1981 - Watershed and Aquifer	---	32	56
Air Pollution Monitoring and Control Programs	---	1,750	1,300
Battleship New Jersey Memorial Fund	172	170	170
Battleship New Jersey Tax Check-Off	65	65	65
Coastal Area Development Review Act Program	---	50	50
Delaware Bay Oyster Revitalization Project	103	112	112
Drinking Water State Revolving Fund - Capacity Development	358	600	600
Drinking Water State Revolving Fund - Operator Certification	244	400	300
Drinking Water State Revolving Fund - Program Administration	677	800	800
Drinking Water State Revolving Fund - Small System Technical Assistance	595	600	600
Drinking Water State Revolving Fund - Source Water Program Administration	322	800	200
Endangered and Nongame Species Wildlife Fund	150	135	125
Environmental Infrastructure Trust Loan Fund	---	1,889	1,592
Environmental Inspection of Child Care Facilities	---	620	770
Exotic and Nongame Species Inspection Fund	156	160	163
Farley Marina Escrow	1,700	1,200	1,200
Forest Resource Management Special Revenue	255	250	250
Green Acres / Open Space Administration	---	468	419
HR-6 Flood Control	1,459	500	600
Hazardous Discharge Site Cleanup Fund - Responsible Party	---	10,552	10,970
Historic Preservation Fund	50	50	50
Hunters' and Anglers' License Fund	---	1,300	1,300
Landscape Irrigation Contractor Certification	149	148	148
Liberty State Park - Central Parking	112	250	250
Liberty State Park License Plates	49	50	50
Low Emission Vehicle Program	121	125	120
Mammography Quality Standards Act	277	310	310
Marina Rentals	---	415	415
New Jersey Shade Tree and Community Forestry Program	62	80	80
New Jersey Waterfowl Stamp Act	108	100	100
Nuclear Emergency Response	---	---	1,078
Ocean/Wind Power Ecological Baseline Study	---	2,000	---
Office of Dredging and Sediment Technology	---	228	241
Ohio Edison Settlement for Environmentally Beneficial Projects	420	520	520
Oil Spill Prevention	---	1,227	1,147
Oyster Cultch Fund	148	120	120

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Palisades Interstate Park Commission (PIPC) - Court Fund Revenue	---	1,406	1,202
Palisades Interstate Park Commission (PIPC) - Gas Station Revenue	---	2,463	2,403
Palisades Interstate Park Commission (PIPC) - Operating Fund Revenue	---	760	780
Parks Management Fees	---	1,400	1,400
Parks Management Revolving Fund	1,271	1,250	1,275
Pinelands Preservation	57	65	56
Pollution Prevention	---	607	630
Private Dredging Disposal	18	20	50
Private Well Testing	463	800	---
Regulation of Freshwater Wetlands	---	315	315
Remediation Management and Response	---	6,593	6,161
Safe Drinking Water Fund	---	489	1,279
Sedge Island	29	25	30
Shellfish Enforcement	113	120	120
Shellfish Enhancement and Management	110	110	110
Shellfish Management	46	50	40
Shore Protection Fund Projects	3,679	3,300	3,300
Shore Protection License Plates	876	900	900
Skylands Manor	269	270	270
Solid Waste Utility Regulation	---	1,300	1,300
Spring Meadow Golf Course	1,000	960	960
State Public Water System Supervision Program	847	1,250	1,500
State Revolving Fund - Administrative Costs	844	1,432	1,760
Stream Encroachment	---	1,544	972
Tidelands Peak Demands	---	2,595	3,626
UMDNJ Radiation Preparedness	81	60	96
Urban Forest Energy Efficiency Initiative	2,957	4,000	4,000
Water Allocation	---	2,880	2,880
Water Pollution Control	---	4,290	4,290
Well Permits, Well Driller, Pump Installer Licenses	---	1,310	1,000
Wetlands	---	16	16
Worker and Community Right to Know Act	---	524	548
Miscellaneous	547	401	334
	22,881	72,942	71,786
Department of Health and Senior Services:			
AIDS Drug Distribution Program Rebates	22,600	25,000	25,000
Administrative Overhead - Non State Program	1,374	1,400	1,400
Animal Population Control Program	252	270	250
Blueprint for Health Aging in New Jersey	14	---	---
Brain Injury Research Fund	3,790	3,600	3,600
Breast Cancer Screening	400	---	---
Certificate of Need Program	763	537	667
Child Care / School Certification Program	---	1,500	1,500
Clinical Laboratory Improvement Services	311	350	150
Early Intervention Program (EIP) Copays	---	6,000	7,000
Electronic Death Registration Support Fund	548	600	600
Emergency Medical Services	48	79	79
Emergency Medical Services for Children	150	150	154
Emergency Medical Technician Training Fund	106	1,800	1,800
Estrogen, Diet, Genetics, and Endometrial Cancer	---	100	---
Evaluation of California Initiatives to Reduce Violence in Health Care Settings	19	---	---
Evaluation of the NJ Smoke-Free Air Act	160	---	---
First Response Emergency Medical Technician Cardiac Training Program	61	125	125
Governor's Council for Medical Research and Treatment of Autism	---	4,000	4,000
Health Care Cost Reduction Fund	36,221	40,000	40,000
Health Care Planning	8,376	7,200	7,200
Live Long Live Well	---	150	150
Managed Care Oversight	100	---	---
New Jersey Emergency Medical Services Helicopter Response Program	---	2,858	2,858
New Jersey Health Information Technology Commission	---	1,000	1,000
New Jersey Turnpike Authority / Garden State Parkway Food Inspections	195	247	273
Newborn Screening, Follow-up, and Treatment	3,228	3,306	3,306
Nursing Home Provider Assessment Fee	134,227	136,000	136,000
Office of the Public Guardian	790	825	1,106
Osteosarcoma Surveillance Study	7	---	25
Ovarian Cancer Study	41	125	40
Passaic and Bergen County Eligible Metropolitan Area	68	---	---
Rabies Control Program	462	475	460
Race and Risk Factors for Early / Aggressive Breast Cancer	239	275	100
Statewide Expansion of HealthEASE	60	---	---

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Wholesale Drug Program	---	300	2,166
Women, Infants, and Children (WIC) Rebates	35,905	40,000	40,000
Worker and Community Right to Know	---	764	764
Miscellaneous	5,832	6,345	6,101
	<hr/>	<hr/>	<hr/>
	256,347	285,381	287,874
Department of Human Services:			
Administration and Support Services	---	5,036	5,015
Alcohol Education Rehabilitation and Enforcement Fund	1,397	2,344	2,344
Alcohol Treatment Fund Program	7,500	7,500	7,500
Catastrophic Illness in Children Relief Fund	8,485	1,067	1,256
Child Support Incentive Funding	11,246	12,502	24,516
Children's Trust Fund	---	519	519
Client Copayments - Developmental Disabilities	43,131	38,630	45,979
Drug Enforcement Demand Reduction Fund	---	350	350
Food Stamp Enhanced Funding	3,632	---	---
Improvement Methods for Skilled Nursing Care	---	300	---
Licensing Fees	351	---	---
Management and Administrative Services	---	475	725
Mental Health Contract Fees	345	324	324
NJ KidCare	65,700	70,864	61,807
New Jersey Health Care Hospital Payments	546,151	654,955	546,561
New Jersey Health Initiative - Robert Wood Johnson	60	---	---
New Jersey Ramps Project	133	---	---
Olmstead Grant	20	---	---
Partnership for a Drug Free New Jersey	---	1,000	1,000
Personal Needs Allowance	---	600	600
Racing Commission Funds for Compulsive Gambling Treatment	200	200	200
SSA Reimbursement to Enhance Vocational Rehabilitation	526	300	500
Traumatic Brain Injury	3,383	---	---
Universal Service Fund	1,092	---	---
Work First New Jersey Support Services	19,359	20,000	20,000
Miscellaneous	26	---	---
	<hr/>	<hr/>	<hr/>
	712,737	816,966	719,196
Department of Labor and Workforce Development:			
Adult Literacy Administration	2,000	---	---
Asbestos Notification Fees	---	100	500
Council on Gender Parity	---	---	72
Division of Workers Compensation Uninsured Employers	1,277	2,384	2,616
Enforcement of Workplace Standards - Receipts	---	5,757	5,757
Health Care Tax Collection	1,372	---	---
Private Disability Insurance Plan	---	1,280	1,280
Public Works Contractor Registration	---	1,932	1,932
Reengineering Study - State Disability Insurance Plan	---	1,000	1,000
Reimbursement to Unemployment Insurance for Joint Tax Functions	---	4,900	4,900
Special Compensation Fund	111,198	145,530	145,530
State Disability Insurance Plan	---	4,100	4,100
Unemployment Insurance Program - Collection Activities	---	2,000	4,000
Urban Enterprise Zones - Employer Rebate Awards	100	---	---
Women and Minorities Trades Training Program	724	---	---
Work First New Jersey Work Activities	---	25,500	25,500
Workers' Compensation	---	8,017	8,017
Workforce Development Partnership - Counselors	---	412	412
Workforce Development Partnership Program	---	1,742	1,742
Workforce Literacy and Basic Skills Program	---	276	276
	<hr/>	<hr/>	<hr/>
	116,671	204,930	207,634
Department of Law and Public Safety:			
Anti-Drug Profiteering	4	---	---
Atlantic County Detention Center	2,076	2,210	2,399
Backstretch Benevolence	182	185	185
Body Armor Replacement Fund - Administrative Costs	75	75	75
Charity Racing Day for the Developmentally Disabled	94	95	95
Claims - Victims of Crime	---	4,600	4,600
Commercial Vehicle Enforcement Program	---	12,837	12,837
Commissions Award Program	2,069	2,100	2,100
Consumer Affairs	335	300	300
Consumer Affairs Charitable Registrations Program	---	995	995
Consumer Affairs Legalized Games of Chance	---	650	650
Consumer Affairs Weights and Measures Program	---	1,420	1,420

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Controlled Dangerous Substance Registration Program	---	622	622
Criminal Disposition and Revenue Collection Fund	---	460	460
Criminal Justice Cost Recovery	---	106	106
Delaware River Joint Toll Bridge Commission	1,218	---	---
Department of Transportation - State Police Construction Detail	---	10,020	10,020
Division of Consumer Affairs - Appropriated Receipts	---	7,671	6,832
Drunk Driving Enforcement Fund - MVC Reimbursement	84	---	---
Election Law Enforcement	11	130	140
FBI Mitochondrial DNA Testing	760	923	923
Fines Account - Miscellaneous Settlements	174	300	100
Forfeiture Program	4,519	2,255	2,255
Hurricane Katrina Receipts	938	---	---
Insurance Fraud Operations	29,189	29,771	30,961
Investigative Unit	597	495	495
Juvenile Detention Alternatives - Annie E. Casey Foundation	100	---	---
Law Enforcement Officers Training and Equipment Fund	782	750	750
Lobbying Annual Fees	---	351	350
Medical Examiner Services	8,759	9,508	10,246
New Jersey Turnpike Authority	29,645	34,384	37,000
New Jersey Turnpike Authority (Parkway)	28,966	33,350	36,685
Nicholson Foundation	49	---	---
Noncriminal Records Checks	---	14,487	14,487
Northeast Hazardous Waste Project-Resource Conservation and Recovery Act	176	131	63
Pari-Mutuel Racing in Accordance with N.J.S.A. 5:5-37	757	953	953
Pre-Race Blood Testing and Chemical Testing Program	2,481	3,472	3,500
Private Employment Agencies	---	510	495
Project Safe Neighborhood-Mercer County	57	---	---
Protection of Civil Rights	---	70	70
Racing Officials	988	1,055	1,055
Regulation of Alcoholic Beverages	---	5,555	5,555
Regulation of Racing Activities	3,022	3,074	3,137
Rural Patrol Services	---	---	20,500
Safe and Secure Neighborhoods Program	7,012	7,100	7,100
Securities Enforcement Fund	---	3,006	3,006
Security Officer Registration Account	1,851	2,000	2,000
Sexual Assault Nurse Examiner Program	60	76	76
South Jersey Transportation Authority	6,558	7,685	8,152
State Athletic Control	538	500	500
State Facilities Education Act (SFEA)	30,754	36,930	35,306
State Forensic Laboratory Fund Program	1,021	500	1,000
State Police Central Lab Operations	---	1,053	1,053
State Police DNA Laboratory Enhancement	7,599	8,200	8,200
State Police Equine Lab Unit	---	1,205	1,205
State Veterinarians New Jersey Racing Commission	916	956	975
Victim and Witness Advocacy Fund	---	1,100	1,100
Voter Verified Paper Record Testing	113	---	---
Miscellaneous	2,534	942	2,989
	<u>177,063</u>	<u>257,123</u>	<u>286,078</u>
Department of Military and Veterans' Affairs:			
Burial Services	---	550	550
Distance Learning Center	---	15	15
Energy Program Receipts	100	75	75
New Jersey National Guard Support Services	---	1,624	1,600
PATH Security	79	950	950
POW/MIA Medal Receipts	4	2	2
Transitional Housing	---	590	590
World War II Memorial Dedications	96	85	85
Miscellaneous	66	60	60
	<u>345</u>	<u>3,951</u>	<u>3,927</u>
Department of Personnel:			
Human Resource Development Institute	---	1,900	1,900
State and Local Government Operations	---	1,300	1,300
	<u>---</u>	<u>3,200</u>	<u>3,200</u>
Department of the Public Advocate:			
New Home Owner's Warranty	271	251	251
Rate Counsel - Insurance	32	1,124	149
Residential Warranty Corporation	99	158	158
	<u>402</u>	<u>1,533</u>	<u>558</u>

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Department of State:			
Extraordinary Programming	319	400	400
GEAR UP Algebra Institute	19	---	---
Governor's School	1,251	---	---
Law Enforcement Officers Memorial Fund	309	325	325
Leasing of Space on NJN Transmitter Towers	1,076	1,100	1,208
NJBEST Administration & Scholarships	178	488	1,191
NJN - Cablevision Rental	185	---	---
NJN - TV Food Network/Time Warner Capital Project	1,648	1,300	---
New Jersey College Loans to Assist State Students (NJCLASS)	4,284	6,088	7,203
New Jersey Workforce Development Coalition Initiative	778	870	707
New Jersey World Trade Center Scholarship Program	---	10	10
Primary Care Physician/Dentist Loan Redemption Program	2,011	2,000	2,000
Public Broadcasting Services	8,179	8,337	8,318
Records Management	1,100	---	---
Rental of NJN Studio and Production Facilities	1,479	1,950	1,400
Sale or Rental of NJN Productions	31	100	48
War Memorial	389	527	527
Miscellaneous	288	330	---
	23,524	23,825	23,337
Department of Transportation:			
Applications and Highway Permits	---	1,290	1,290
Commercial Vehicle Enforcement Program	12,344	---	---
Cost of "Cause" Plates	183	---	---
County and Other Shared Projects	18,779	---	---
Greenwood Lake Airport	51	---	---
Highway Safety Fund	1,708	---	---
In-Terminal School Bus Inspection Program	1,377	1,350	1,350
Logo Sign Program	---	120	120
Motor Vehicle Services	294,158	280,159	276,841
Motorbus Regulation	678	682	682
Motorcycle Safety Education Fund	521	385	310
NJ Board of Pilot Commissioners	671	590	590
NJ Medical Service Helicopter Response Act	8,331	---	---
Office of Maritime Resources	2,066	2,500	2,500
Outdoor Advertising Program	---	790	790
Placarded Railcar Program	---	110	110
Rental Receipts, Tenant Relocation Program	---	380	380
Security Responsibility	15,581	15,500	15,500
	356,448	303,856	300,463
Department of the Treasury:			
Annual Licensing Fee - Office of Administrative Law Publications	832	680	680
Capital City Redevelopment Corporation	68	191	301
Cigarette Tax Securitization	194,495	194,000	194,000
Clean Energy Program	645	1,300	1,300
Division of Developmental Disabilities Community Placement and Services	37,883	38,000	38,000
Domestic Security	19,895	23,500	23,500
Drug Abuse Education Fund	640	600	600
Economic Recovery Fund	19,608	19,608	21,604
Energy Tax Receipts	788,492	788,492	788,492
Governor's Council on Alcoholism and Drug Abuse	16,212	15,800	15,800
Judicial Hearings Receipts	3,521	3,200	3,809
Management Audit - N.J. Natural Gas	592	---	---
Management Audit - United Water	231	---	---
Management of DEP Properties	---	500	500
Management of State Investments	---	9,043	9,043
New Jersey Public Records Preservation	166	10,200	21,600
Nextel Rebanding	208	---	---
Office of Information Technology Indirect Cost Recoveries	---	4,500	4,500
Office of Management and Budget	24,840	9,042	9,119
Ombudsman	152	451	451
Other Capital Building Services	2,341	2,420	2,420
Other Distributed Taxes	8,327	6,882	6,882
PSEG/Exelon Merger	863	---	---
Pensions and Benefits	41,261	40,739	40,739
Port Authority Advertising Grant	---	2,929	2,929
Prequalification Fees	---	125	125
Property Management and Construction - Property Management Services	318	325	325
Public Finance Activities	---	700	700

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Real Property Leasing Out Program	---	380	380
Royalties - Office of Administrative Law Publications	365	365	365
Small Business Registration	---	380	---
State Pension System Audit	---	225	225
State Technology Advancement Collaborative	25	---	---
Taxation Compliance and Enforcement Activities	---	4,800	4,800
Third Party Subrogation - Property Damage	---	600	600
Unclaimed Property Trust Fund	6,269	6,920	6,920
Universal Service Fund Program Evaluation	15	---	---
Urban Enterprise Zone (UEZ) Authority Administrative Expenses	3,494	4,486	4,486
Vendor Surcharge Collection - Motor Vehicle Commission	12,700	12,700	12,700
Miscellaneous	721	820	820
	1,185,179	1,204,903	1,218,715
Interdepartmental Accounts--			
Petroleum Overcharge Reimbursement Fund	---	3,500	3,500
Judicial Branch--			
Automated Traffic System for Municipal Courts	22,071	23,000	23,000
Civil Courts	559	760	765
Comprehensive Enforcement Program	2,970	2,700	2,900
Court Adult Probation System	540	500	500
Court Technology Improvement Fund	13,325	12,300	12,300
Electronic Access To Court Records	2,000	1,000	1,000
Family Courts	422	400	400
Information Services	450	516	516
Special Civil Part Certified Mailers	2,459	2,000	2,250
Supreme Court	13,241	16,032	16,748
Miscellaneous	766	15	15
	58,803	59,223	60,394
<i>Total Dedicated</i>	3,135,909	3,467,594	3,414,138
Federal:			
Executive Branch--			
Department of Agriculture:			
Asian Longhorned Beetle Monitoring	2,877	3,000	3,000
Child Care	52,814	70,750	75,825
Child Nutrition - School Breakfast	35,757	48,000	52,000
Child Nutrition - School Lunch	153,781	180,000	195,000
Child Nutrition - Special Milk	816	1,800	1,500
Child Nutrition - Summer Programs	6,272	10,728	10,725
Child Nutrition Administration	3,440	4,340	4,670
Cooperative Gypsy Moth Suppression	1,520	1,450	1,450
Farm Risk Management Education Program	164	272	272
Farmland Preservation	2,013	4,525	4,525
Fish Inspection Service	160	158	160
Food Stamp - Temporary Emergency Food Assistance Program (TEFAP)	1,460	1,550	2,250
Indemnities - Avian Influenza	400	400	400
National Animal Identification Infrastructure	99	80	80
Team Nutrition Training	35	200	200
Various Federal Programs and Accruals	-2,382	1,215	1,488
	259,226	328,468	353,545
Department of Children and Families:			
Federal Accrual	-760	---	---
Restricted Federal Grants	9,280	10,327	10,014
Title IV-B Child Welfare Services	5,679	5,500	5,634
Title IV-E Foster Care	113,868	99,223	94,311
	128,067	115,050	109,959
Department of Community Affairs:			
Community Services Block Grant	18,232	17,165	16,902
Emergency Shelter Grants Program	2,100	1,570	1,650
Fair Housing Initiatives Grant	14	100	100
Lead-Based Paint Abatement in Low and Moderate Income Housing	840	---	---
Low Income Home Energy Assistance Program	64,944	84,324	78,605
Moderate Rehabilitation Housing Assistance	11,185	11,679	11,679
National Affordable Housing - HOME Investment Partnerships	11,155	7,611	7,611
National Fire Academy Training Program	2	28	28

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Section 8 Housing Voucher Program	175,803	174,250	177,180
Shelter Plus Care Program	1,435	6,961	6,961
Small Cities Block Grant Program	9,792	8,360	8,360
Transitional Housing - Homeless	111	136	136
Weatherization Assistance Program	6,101	5,169	5,169
Various Federal Programs and Accruals	-6,752	---	---
	<hr/>	<hr/>	<hr/>
	294,962	317,353	314,381
Department of Corrections:			
Counterterrorism Prison Intelligence	---	800	400
National Institute of Justice Grant for Corrections Research-Escape Study	---	57	57
National Institute of Justice Grant for Corrections Research-Megan's Law Study	9	---	---
Prison Rape Elimination Grant	122	---	---
Prisoner Reentry Initiative Grant-Atlantic County	17	---	---
Prisoner Reentry Initiative Grant-Camden County	---	431	---
Project In-Side	885	608	608
Promoting Responsible Fatherhood	---	339	407
Serious and Violent Offender Reentry Initiative	375	---	---
State Criminal Alien Assistance Program	4,986	5,882	5,500
Various Federal Programs and Accruals	-913	60	60
	<hr/>	<hr/>	<hr/>
	5,481	8,177	7,032
Department of Education:			
21st Century Schools	22,818	19,096	20,175
AIDS Prevention Education	254	262	262
Adult Basic Education - Administration/Discretionary	---	1,029	1,085
Bilingual and Compensatory Education - Homeless Children and Youth	1,298	1,185	1,320
Byrd Scholarship Program	1,127	1,200	1,200
Character Education Partnership	643	702	702
Drug-Free Schools and Communities - Administration	2,294	1,645	1,645
Drug-Free Schools and Communities - Discretionary	6,741	6,575	6,945
Enhancing Education Thru Technology	4,354	5,001	5,293
Even Start Family Literacy Grant - Discretionary	4,301	1,378	1,250
Hurricane Relief	1,054	---	---
Improving America's Schools Act - Consolidated Administration	5,613	4,600	4,800
Individuals with Disabilities Education Act Basic State Grant	340,214	338,930	343,528
Individuals with Disabilities Education Act Preschool Grants	11,962	11,515	11,198
Language Acquisition State Grants	18,696	17,751	19,090
Mathematics and Science Partnerships Grants	3,322	2,862	3,020
Migrant Education - Administration/Discretionary	2,251	1,997	1,997
Public Charter Schools	2,854	4,256	4,256
Refugee Children School Impact Program	65	---	---
School Improvement Grants	---	2,381	9,585
State Assessments	10,526	10,032	10,032
State Data Grants	401	---	---
State Grants for Improving Teacher Quality	67,955	64,090	65,400
State Improvement Grant - Administration	1,657	---	---
Step Up - Teacher Recruitment	1,010	1,086	1,086
Title I - Comprehensive School Reform	4,156	---	---
Title I - Grants to Local Educational Agencies	281,234	255,000	300,446
Title I - Part D, Neglected and Delinquent	2,878	2,831	2,729
Title I - Reading First State Grant	19,888	16,579	6,750
Title V - Innovative Program Strategies	3,907	2,803	---
Vocational Education - Basic Grants - Administration	23,617	25,041	25,056
Vocational Education Technical Preparation	1,765	2,263	2,263
Various Federal Programs and Accruals	-2,113	1,354	1,280
	<hr/>	<hr/>	<hr/>
	846,742	803,444	852,393
Department of Environmental Protection:			
Air Pollution Maintenance Program	5,613	6,500	6,500
Artificial Reef Program - PSE&G/NJPDES Permit Fees	670	825	925
Asian Longhorned Beetle Project	1,895	2,300	2,300
Assessing New Jersey's Bays	27	100	---
Assistance to Firefighters - Wildfire and Arson Prevention	78	200	200
Atlantic Coastal Cooperative Program	39	250	---
Atlantic Coastal Fisheries	295	300	300
Avian Influenza	---	100	110
Beach Monitoring and Notification	293	500	500
Benthic Indicators for Nearshore Coastal Waters	5	400	400
BioWatch Monitoring	390	750	750
Boat Access (Fish and Wildlife)	---	1,000	1,000
Brownfields	719	2,000	2,000

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Cheesequake Marshland Acquisition	---	---	1,000
Chronic Wasting Disease	44	150	150
Clean Lakes Program	---	500	---
Clean Vessels	123	1,000	1,000
Coastal Estuarine Land Program	---	6,000	6,000
Coastal Zone Management Implementation	2,876	3,400	3,400
Community Assistance Program	230	235	250
Consolidated Forest Management	706	1,080	1,080
Construction Grants Program	---	65,000	28,000
Defensible Space	35	400	400
Electronic Vessel Trip Reporting	---	170	170
Endangered Species	25	75	85
Endangered and Nongame Species Program State Wildlife Grants	11	1,065	1,065
Firewise in the Pines	159	200	200
Fish and Wildlife Health	38	200	150
Forest Legacy	1,440	10,040	6,040
Forest Resource Management - Cooperative Forest Fire Control	1,074	1,700	1,700
Grassland Habitat Project	72	200	200
Gypsy Moth Suppression	62	150	350
Hazardous Waste - Resource Conservation Recovery Act	689	4,895	4,895
Historic Preservation Survey and Planning	608	950	950
Hunters' and Anglers' License Fund	3,275	6,475	6,680
Land and Water Conservation Fund	---	10,000	10,000
Lower Cohansey Watershed	---	1,000	---
Marine Fisheries Investigation and Management	1,018	1,365	1,365
Multimedia	101	750	750
NJ Landowner Incentive	396	1,180	1,480
National Coastal Wetlands Conservation	---	2,000	2,000
National Dam Safety Program (FEMA)	71	90	90
National Geologic Mapping Program	110	200	200
National Recreational Trails	1,374	1,700	1,900
Non-Point Source Implementation (319H)	3,600	4,000	4,000
Offshore Beach Replenishment	---	150	150
Particulate Monitoring Grant	1,199	1,000	1,000
Pesticide Technology	67	550	550
Pinelands Grant - Acquisition	---	6,000	6,000
Preliminary Assessments/Site Inspections	1,097	1,500	1,500
Radon Program	76	500	500
Rare Wildlife Strategy Implementation	24	1,500	1,500
Safe Drinking Water Act	1,005	22,200	22,200
Shortnose Sturgeon Research	22	400	200
Southern Pine Beetle	10	100	100
State Recreational Trails	---	8,825	8,725
State Wetlands Conservation Plan	209	250	250
State Wildlife Grant Projects	---	1,000	1,000
State and EPA Data Management Grant	440	2,300	2,300
Superfund Grants	521	30,450	30,450
Underground Storage Tanks	1,281	3,255	2,055
Urban Community Air Toxics Program	314	800	800
Water Monitoring and Planning	495	550	550
Water Pollution Control Program	1,710	4,025	4,025
Water Pollution S106 Enhancements	---	182	250
Wildland and Urban Interface II	---	100	100
Wildlife Habitat Incentives (WHIP)	---	150	150
Wildlife Management Area Planning	274	300	300
Various Federal Programs and Accruals	4,773	940	911
	<hr/> 41,678	<hr/> 228,422	<hr/> 186,101
Department of Health and Senior Services:			
Abstinence Education - Family Health Services (FHS)	895	1,122	---
Aging & Disability Resource Center Grant	164	---	---
Asthma Surveillance and Coalition Building	347	457	457
Bioterrorism Hospital Emergency Preparedness	13,195	13,600	11,576
Birth Defects Surveillance Program	160	268	250
Breastfeeding Peer Counseling	340	300	300
Childhood Lead Poisoning	925	1,400	1,400
Chronic Disease Prevention and Health Promotion - Family Health Services	---	750	---
Chronic Disease Prevention and Health Promotion Programs - Public Health	1,779	1,900	1,900
Clinical Laboratory Improvement Amendments Program	511	473	448
Comprehensive AIDS Resources Grant	46,245	55,000	50,000
Core Injury Prevention and Control Program	---	300	300

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Demonstration Program to Conduct Health Assessments	502	627	627
Early Hearing Detection and Intervention (EHDI) Tracking, Research	199	334	334
Early Intervention for Infants and Toddlers with Disabilities (Part H)	10,863	13,000	13,000
Eliminating Disparities in Perinatal Health	241	500	500
Emergency Medical Services for Children (EMSC) Partnership Grants	35	115	115
Emergency Preparedness For Bioterrorism	22,980	28,690	30,886
Enhanced HIV/AIDS Surveillance-Perinatal	95	156	185
Environmental Tools for Dementia Care	51	150	150
Exposure - Tremolite Asbestos - Vermiculite	28	---	---
Family Planning Program - Title X	3,959	4,200	4,200
Federal Lead Abatement Program	402	467	454
Food Emergency Response Network - E. Coli in Ground Beef	61	---	150
Food Inspection	285	432	438
Fundamental & Expanded Occupational Health	281	350	379
HIV/AIDS Events without Care in New Jersey	136	380	303
HIV/AIDS Prevention and Education Grant	12,331	18,000	15,000
HIV/AIDS Surveillance Grant	2,956	3,614	3,461
Housing Opportunities For Persons With AIDS	940	2,828	2,150
Housing Opportunities for Incarcerated Persons with AIDS	208	1,763	1,763
Immunization Project	5,490	7,703	7,786
Lead Training and Certification Enforcement Program	78	83	82
Maternal and Child Health (MCH) Early Childhood Comprehensive System	128	140	140
Maternal and Child Health Block Grant	7,987	13,000	13,000
Medicare/Medicaid Inspections of Nursing Facilities	8,476	16,472	16,672
Minority AIDS Demo	---	150	67
Morbidity and Mortality Review Program	---	150	150
Morbidity and Risk Behavior Surveillance	448	520	512
National Cancer Prevention and Control - Public Health	4,322	7,588	7,271
National Family Caregiver Program	4,813	5,200	5,200
New Jersey Ease for Caregivers - Building Support Systems	34	---	---
New Jersey's Reducing Health Disparities Initiative	150	160	160
Nurse Aide Certification Program	---	1,000	1,000
Nursing Facilities Transition Grant	157	600	600
Older Americans Act - Title III	29,609	34,500	34,352
Pediatric AIDS Health Care Demonstration Project	2,535	2,850	2,850
Pregnancy Risk Assessment Monitoring System	338	750	750
Preventative Health and Health Services Block Grant	2,522	4,114	3,130
Public Employees Occupational Safety and Health - State Plan	---	900	900
Rape Prevention and Education Program	1,740	2,300	1,616
Research on Ecology of Lyme Disease in US	281	325	295
Senior Farmers Market Nutrition Program	506	1,000	1,000
State Pharmacy Assistance Program Payments - Federally Funded Grant	5,351	---	---
Supplemental Food Program - Women, Infants, and Children (WIC)	92,737	120,000	120,000
Surveillance, Epidemiology and End Results (SEER)	606	1,200	1,319
Tools For School Implementation Project	70	---	---
Traumatic Brain Injury Surveillance	---	105	105
Tuberculosis Control Program	4,403	6,095	6,095
United States Department of Agriculture (USDA) Older Americans Act - Title III	3,583	3,900	3,900
Universal Newborn Hearing Screening	233	250	250
Venereal Disease Project	3,030	3,882	3,882
Vital Statistics Component	795	1,100	1,100
West Nile Virus - Laboratory	---	100	100
West Nile Virus - Public Health	1,121	2,135	1,942
Women, Infants, and Children (WIC) Farmer's Market Nutrition Program	956	2,600	2,600
Various Federal Programs and Accruals	1,143	8,444	7,722
	<u>304,756</u>	<u>400,492</u>	<u>387,274</u>
Department of Human Services:			
Access to Recovery	7,035	9,270	9,270
Block Grant Mental Health Services	9,442	12,005	11,794
Child Care Block Grant	120,156	115,220	115,280
Child Support Enforcement Program	178,111	182,278	179,837
Community Based Residential Program Grant	494	---	---
Developmental Disabilities Council	1,666	1,601	1,610
Federal Independent Living	1,252	1,153	1,069
Food Stamp Program	84,389	103,697	103,807
Foster Grandparents Program	739	1,141	1,128
Low Income Energy Assistance Block Grant	47,292	---	---
Projects for Assistance in Transition from Homelessness (PATH)	2,114	1,925	1,922
Refugee Resettlement Program	2,591	5,622	5,626
Social Service Block Grant	49,830	51,587	51,207

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
State Data Infrastructure Project	61	---	---
Strategic Prevention Framework	3	3,663	3,663
Substance Abuse Block Grant	53,450	51,882	51,882
Temporary Assistance to Needy Families Block Grant	420,863	436,673	442,017
Title XIX Child Residential	83,185	75,822	75,565
Title XIX Community Care Waiver	281,493	280,710	303,766
Title XIX ICF/MR	315,900	334,505	344,238
Title XIX Medical Assistance	3,526,586	3,725,447	3,676,941
Title XX Urban Empowerment Zone	1,593	---	---
Title XXI Children's Health Insurance Program	263,717	276,928	323,484
Vocational Rehabilitation Act, Section 120	11,843	11,100	11,718
Various Federal Programs and Accruals	-74,908	4,575	6,573
	<u>5,388,897</u>	<u>5,686,804</u>	<u>5,721,637</u>
Department of Labor and Workforce Development:			
Adult and Continuing Education - Workforce Investment Act	17,451	20,071	20,071
Comprehensive Services for Independent Living	322	600	600
Current Employment Statistics	2,565	2,978	2,978
Disability Determination Services	52,775	52,000	54,100
Disabled Veterans' Outreach Program	2,459	2,900	2,900
Employment Services	15,968	26,100	26,100
Employment Services - One-Stop Shopping	231	350	350
Employment Services Cost Reimbursable Grants - Migrant Housing	---	50	50
Employment Services Grants - Alien Labor Certification	586	2,403	2,403
Employment Services Reemployment Services	597	1,100	1,100
Federal Public Employees Occupational Safety and Health Act	2,096	2,100	2,250
Local Veterans' Employment Representatives	1,124	1,700	1,700
National Council on Aging - Senior Community Services Employment Project	2,273	3,020	3,020
Occupational Informational Coordinating Program	11	175	175
Occupational Safety Health Act - On-Site Consultation	2,113	2,200	2,800
Occupational Safety and Health Administration Data Collection Survey	---	74	74
Old Age and Survivor Insurance Disability Determination Services	---	1,000	1,000
One Stop Labor Market Information	1,040	1,068	1,068
Redesigned Occupational Safety and Health (ROSH)	300	269	269
Rehabilitation of Supplemental Security Income Beneficiaries	95	2,000	2,000
Supported Employment	603	975	975
Technical Assistance Training	---	1,700	1,700
Technology Related Assistance Project	396	400	400
Trade Adjustment Assistance Project	1,963	4,200	4,200
Unemployment Insurance	139,809	145,892	148,637
Vocational Rehabilitation Act of 1973	48,306	47,943	48,825
Work Opportunity Tax Credit	793	750	750
Workforce Investment Act	69,423	72,643	72,643
Workforce Investment Act Title IIID Discretionary Funding	---	4,000	4,000
Various Federal Programs and Accruals	-19,203	251	280
	<u>344,096</u>	<u>400,912</u>	<u>407,418</u>
Department of Law and Public Safety:			
Anti Trafficking Task Force	143	600	600
Anti-Gang Initiative	8	1,000	1,000
Buffer Zone Protection Program	700	1,512	1,500
Bulletproof Vest Partnership	716	850	850
Bureau of Justice State Police Communications Grant	118	---	---
Challenge Grant	61	---	---
Chemical Sector Buffer Zone Protection Program	---	5,508	---
Child Passenger Protection Education	24	---	---
Child Safety/Child Booster Seats	50	2,000	3,000
Citizen Corps Program	---	520	520
Combating Underage Drinking	244	350	350
Community Oriented Policing Services (COPS) - In Schools	679	---	---
Convicted Offender In-House (DNA)	1,076	850	850
Crime Laboratory Improvement Program-National Institute of Justice	1,526	---	---
DNA Capacity Enhancement Program Formula Grant	15	600	600
Domestic Marijuana Eradication Suppression Program	83	125	125
Domestic Preparedness Equipment	8,608	---	---
Domestic Preparedness Training	370	---	---
Drunk Driver Prevention	559	6,000	7,500
Edward Byrne Memorial Grant	4,683	---	---
Emergency Management Performance Grant - Non Terrorism	2,480	5,000	5,000
Equal Employment Opportunity Commission	458	400	400
Fatality Analysis Reporting System (FARS)	136	161	161

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
Flood Disaster Assistance	7,179	---	---
Flood Mitigation Assistance	565	3,000	3,000
Grants To Encourage Arrest Policies and Enforcement of Protection Orders	75	---	---
Hazardous Materials Transportation	---	300	300
High Intensity Drug Trafficking Area (HIDTA)	---	50	50
Highway Traffic Safety	6,082	8,882	8,982
Homeland Security Grant Program	8,437	25,000	25,170
Housing and Urban Development	120	---	---
Incident Command	1,164	1,500	1,500
Innovative Seat Belt Use	103	---	---
Internet Crimes Against Children	163	700	700
Justice Assistance Grant (JAG)	5,161	10,000	10,000
Juvenile Accountability Incentive Block Grant (JAIBG)	2,668	1,200	1,230
Juvenile Justice Delinquency Prevention	1,999	2,338	2,333
Medicaid Fraud Unit	2,931	3,729	3,420
Metropolitan Medical Response System	---	400	---
Motorcycle Safety	---	760	1,010
National Criminal History Program - Office of the Attorney General	615	1,000	500
No Suspect Casework DNA Backlog Reduction Program	216	---	---
Northeast Hazardous Waste Project-Resource Conservation and Recovery Act	101	128	128
Northern Transportation Security Grant Program	---	14,000	14,000
Occupant Protection Grant	1,068	3,000	4,500
Paul Coverdell National Forensic Science Improvement	171	297	297
Port Security Grant Program - Delaware Bay Sector	---	4,200	8,200
Port Security Grant Program - NY/NJ Sector	500	8,000	16,000
Pre-Disaster Mitigation Grant (Competitive)	1,249	2,500	2,500
Prevent Operations of Motor Vehicles by Intoxicated Persons	425	---	---
Project Safe Neighborhoods	1,355	1,060	1,060
Racial Profiling Prevention	---	1,200	1,500
Radiological Dispersal Device Protective Measures Program	1,134	---	---
Recreational Boating Safety	481	2,500	2,500
Residential Treatment for Substance Abuse	1,696	1,000	1,000
Safety Belt Performance Grants	368	7,400	9,800
Safety Incentive Grants	40	---	---
Southern Transportation Security Grant Program	---	4,000	---
State Traffic Safety Information System	---	3,000	4,500
Title V Funding	420	1,500	1,500
Truth In Sentencing Incentive Grant	324	---	---
Urban Area Security Initiative	4,803	38,000	38,500
Victim Assistance Grants	13,438	12,000	12,000
Victim Compensation Award	12,173	7,000	6,000
Violence Against Women Act-Criminal Justice	4,163	4,000	4,000
Various Federal Programs and Accruals	38,606	444	444
	<u>142,730</u>	<u>199,564</u>	<u>209,080</u>
Department of Military and Veterans' Affairs:			
Administrative Services Activities	10	55	60
Antiterrorism Program Manager	---	220	75
Armory Renovations and Improvements	2,858	2,487	3,517
Army Facilities Service Contracts	2,793	2,500	2,695
Army National Guard Electronic Security System	49	300	300
Army National Guard Statewide Security Agreement	637	500	500
Army National Guard Sustainable Range Program	216	100	150
Army National Guard Transportation	---	2	---
Army Training and Technology Lab	809	800	920
Atlantic City Air Base - Service Contracts	1,799	2,888	3,065
Atlantic City Environmental	33	60	116
Atlantic City Operations and Maintenance	85	75	130
Atlantic City Sustainment, Restoration and Modernization	31	550	580
BG Doyle Cemetery - Section R	1,663	---	---
Brigadier General Doyle Memorial Cemetery Building Project	3,442	8,000	2,000
Combined Logistics Facility	2,525	10,000	---
Coyle Field Atlantic City	---	24	24
Design and Construction of the Vineland Memorial Veterans' Home	899	---	---
Dining Facility Operations	66	150	150
Doyle Section L Water	99	---	---
Facilities Support Contract	8,431	6,500	6,625
Federal Distance Learning Program	265	150	150
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement	1,278	1,650	1,686
Hazardous Waste Environmental Protection Program	710	325	325
McGuire Air Force Base - Service Contracts	2,346	2,080	2,340

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
McGuire Air Force Base Environmental	55	60	62
McGuire Operations and Maintenance	34	90	90
Medicare Part A Receipts for Resident Care and Operational Costs	5,047	5,700	5,700
National Guard Communications Agreement	1,232	780	780
Natural and Cultural Resources Management	3	5	5
New Jersey National Guard Challenge Youth Program	1,750	3,217	2,545
New Jersey National Guard Counter Drug Program Interservice State-Federal	4	---	---
Training and Equipment - Pool Sites	631	450	450
Transitional Housing	215	360	360
Veterans Haven Life Safety Code Rehabilitation - VA grant	14	---	---
Veterans' Education Monitoring	450	588	690
Warren Grove Sustainment Restoration & Modernization	4	5	6
Warren Grove/Coyle Field	84	40	50
Various Federal Programs and Accruals	-8,159	74	62
	<u>32,408</u>	<u>50,785</u>	<u>36,208</u>
Department of the Public Advocate:			
Guardianship Program	---	223	223
	<u>---</u>	<u>223</u>	<u>223</u>
Department of State:			
Accessibility Leadership Grant	30	---	---
Americorps Grants	6,135	5,060	4,370
Election Assistance for Persons with Disabilities	52	300	300
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	1,546	3,500	3,500
Leveraging Educational Assistance Partnership	2,117	1,828	1,828
National Endowment for the Arts Partnership	713	760	800
National Endowment for the Humanities Grant	---	715	---
National Health Service Corps - Student Loan Repayment Program	118	---	---
National Telecommunications Information Agency	312	625	600
Save America's Treasures Grant	134	---	---
Student Loan Administrative Cost Deduction and Allowance	17,130	22,225	22,918
Various Federal Programs and Accruals	-189	---	---
	<u>28,098</u>	<u>35,013</u>	<u>34,316</u>
Department of Transportation:			
Airport Fund	199	10,000	5,000
Commercial Drivers' License Program	---	1,410	1,410
Commercial Vehicle Information Systems and Networks	---	1,192	1,192
Highway Planning and Research	14,285	18,200	18,600
Homeland Security	167	---	---
Metropolitan Planning Funds	10,913	11,500	12,200
Motor Carrier Safety Assistance Program	10,125	16,631	17,066
NJ Transportation Planning Assistance	---	4,800	4,600
National Boating Infrastructure Program	47	---	---
New Jersey Maritime Program	---	1,600	1,600
Odometer Fraud Grant	---	30	30
Performance & Registration Information Systems Management	---	459	459
Supportive Services Highway Construction Training Program	---	500	500
	<u>35,736</u>	<u>66,322</u>	<u>62,657</u>
Department of the Treasury:			
Diamond Shamrock Oil Overcharge Settlement	---	717	717
Division of Gas Expansion	574	600	600
NJ Partnership for the National Map	495	---	---
State Energy Conservation Program	---	2,671	2,675
Various Federal Programs and Accruals	949	200	200
	<u>2,018</u>	<u>4,188</u>	<u>4,192</u>
Judicial Branch--			
The Judiciary:			
Essex Family Drug Court	---	450	---
Juvenile Drug Court Grant	158	---	---
Sussex Family Drug Court	---	450	---
Various Federal Programs and Accruals	629	1,535	1,535
	<u>787</u>	<u>2,435</u>	<u>1,535</u>
<i>Total Federal</i>	<u>7,855,682</u>	<u>8,647,652</u>	<u>8,687,951</u>

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
Revolving:			
Legislature:			
Various Revolving Funds	7	---	---
Executive Branch--			
Department of Community Affairs:			
Administration and Support Services	511	650	650
Housing Services	35	495	495
Liquid Petroleum Gas Education and Safety Board	144	394	315
Uniform Construction Code	10,971	9,690	9,690
Various Revolving Funds	62	---	---
	11,723	11,229	11,150
Department of Corrections:			
Culinary Arts Vocational Program	99	135	135
Farm Operations	11,659	10,950	11,130
Institutional Care and Treatment	342	500	500
State Use	18,794	19,500	18,750
	30,894	31,085	30,515
Department of Education:			
Administration and Support Services	2,201	1,720	1,720
General Education Development	342	350	350
Professional Development and Licensure	328	199	199
	2,871	2,269	2,269
Department of Environmental Protection:			
Administration and Support Services	170	100	127
Pesticide Control	285	290	300
Publicly-Funded Site Remediation	128	---	---
	583	390	427
Department of Health and Senior Services:			
Administration and Support Services	6,561	5,747	6,200
Laboratory Services	9,204	11,500	13,166
	15,765	17,247	19,366
Department of Human Services:			
Administration and Support Services	1,019	903	903
Income Maintenance Management	6,725	5,525	5,525
	7,744	6,428	6,428
Department of Labor and Workforce Development:			
Administration and Support Services	916	---	---
Planning and Analysis	31	---	---
	947	---	---
Department of Law and Public Safety:			
Criminal Justice	200	275	275
State Police Operations	13	---	---
	213	275	275
Department of State:			
Museum Services	15	---	---
Records Management	574	200	465
	589	200	465
Department of Transportation:			
Administration and Support Services	347	---	---
Department of the Treasury:			
Adjudication of Administrative Appeals	3	895	895
Automotive Services	29,304	25,957	25,957
Capitol Post Office	1,733	1,648	1,648
Escrow - Construction Management Services	1,353	---	---
Office of Information Technology	102,782	---	---
Printing Services	2,099	2,324	2,324
Property Management and Construction - Construction Management Services	3,022	4,425	4,425
Public Information Services	1,430	1,001	1,001
Purchasing and Inventory Management	47,435	50,920	50,920
	189,161	87,170	87,170
<i>Total Revolving</i>	260,844	156,293	158,065
Total Other Revenues General Fund	11,252,435	12,271,539	12,260,154

**SCHEDULE 2
OTHER REVENUES**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007 Actual	2008 Estimated	2009 Estimated
SPECIAL TRANSPORTATION FUND			
General:			
County and Other Shared Projects	1,325	---	---
Transportation Trust Fund - Local Highway Facilities	154,362	172,001	175,000
Transportation Trust Fund - Public Transportation Projects	670,132	625,000	625,000
Transportation Trust Fund - State Highway Projects	616,888	802,999	800,000
	1,442,707	1,600,000	1,600,000
Federal:			
Federal Highway Administration / Other	903,706	960,772	913,260
<i>Total Special Transportation Fund</i>	<i>2,346,413</i>	<i>2,560,772</i>	<i>2,513,260</i>
TOTAL OTHER REVENUES	13,598,848	14,832,311	14,773,414

**SCHEDULE 3
EXPENDITURES BUDGETED**
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
GENERAL FUND			
Legislative Branch			
Senate	11,565	11,959	11,959
General Assembly	18,779	18,402	18,402
Office of Legislative Services	30,961	30,797	29,958
Legislative Commissions	5,998	6,205	6,205
State Capitol Joint Management Commission	10,446	9,001	9,001
Clean Ocean and Shore Trust Committee	75	144	144
	<u>77,824</u>	<u>76,508</u>	<u>75,669</u>
Executive Branch			
Chief Executive	5,275	5,428	5,293
Department of Agriculture	28,277	26,673	22,878
Department of Banking and Insurance	68,336	72,127	70,340
Department of Children and Families	946,164	1,080,910	1,075,703
Department of Community Affairs	292,203	187,282	160,340
Department of Corrections	1,132,063	1,184,028	1,149,298
Department of Education	924,773	1,029,104	1,108,946
Department of Environmental Protection	457,232	470,783	411,109
Department of Health and Senior Services	1,360,376	1,485,661	1,306,309
Department of Human Services	4,667,325	4,808,782	4,728,332
Department of Labor and Workforce Development	167,693	136,230	135,927
Department of Law and Public Safety	648,491	588,234	538,898
Department of Military and Veterans' Affairs	95,767	96,677	93,447
Department of Personnel	27,214	22,824	20,597
Department of the Public Advocate	15,493	20,357	17,466
Department of State	1,234,145	1,344,252	1,229,820
Department of Transportation	1,297,862	1,297,051	1,335,604
Department of the Treasury	1,465,210	1,566,588	1,475,318
Miscellaneous Commissions	1,424	1,456	1,456
	<u>14,835,323</u>	<u>15,424,447</u>	<u>14,887,081</u>
Interdepartmental Accts			
Inter-Departmental Services	674,202	757,517	673,428
Employee Benefits	2,357,412	2,500,993	2,537,345
Other Interdepartmental Accounts	56,346	14,143	4,175
Salary Increases and Other Benefits	10,488	13,900	91,793
	<u>3,098,448</u>	<u>3,286,553</u>	<u>3,306,741</u>
Judicial Branch			
The Judiciary	576,492	629,131	636,167
	<u>576,492</u>	<u>629,131</u>	<u>636,167</u>
Total General Fund	18,588,087	19,416,639	18,905,658
CASINO CONTROL FUND - DIRECT STATE SERVICES			
Department of Law and Public Safety	43,590	45,999	45,999
Department of the Treasury	29,473	29,440	29,440
Total Casino Control Fund - Direct State Services	73,063	75,439	75,439
CASINO REVENUE FUND			
Department of Health and Senior Services	259,630	260,679	259,819
Department of Human Services	162,972	112,844	130,457
Department of Labor and Workforce Development	2,440	2,440	2,440
Department of Law and Public Safety	6	92	92
Department of Transportation	34,930	36,928	33,018
Total Casino Revenue Fund	459,978	412,983	425,826
GUBERNATORIAL ELECTIONS FUND - GRANTS-IN-AID			
Department of Law and Public Safety	---	---	5,080
PROPERTY TAX RELIEF FUND			
Department of Community Affairs	976,751	1,120,572	964,378
Department of Education	9,411,057	10,014,012	10,528,816
Department of Environmental Protection	9,068	9,828	10,000
Department of the Treasury	1,299,088	2,569,866	2,053,406
Total Property Tax Relief Fund	11,695,964	13,714,278	13,556,600
GRAND TOTAL EXPENDITURES BUDGETED	30,817,092	33,619,339	32,968,603

SCHEDULE 4
EXPENDITURES NOT BUDGETED
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2007	2008	2009
	Actual	Estimated	Estimated
GENERAL FUNDS			
Dedicated Funds			
Chief Executive	623	900	900
Department of Agriculture	9,474	11,115	10,461
Department of Banking and Insurance	25,124	832	832
Department of Children and Families	57,868	58,013	57,544
Department of Community Affairs	164,435	116,557	117,360
Department of Corrections	27,680	24,706	25,014
Department of Education	12,145	14,138	15,365
Department of Environmental Protection	30,947	72,942	71,786
Department of Health and Senior Services	256,267	285,381	287,874
Department of Human Services	701,949	816,966	719,196
Department of Labor and Workforce Development	159,203	204,930	207,634
Department of Law and Public Safety	216,272	257,123	286,078
Department of Military and Veterans' Affairs	136	3,951	3,927
Department of Personnel	---	3,200	3,200
Department of the Public Advocate	317	1,533	558
Department of State	46,032	23,825	23,337
Department of Transportation	324,879	303,856	300,463
Department of the Treasury	1,139,688	1,204,903	1,218,715
Interdepartmental Accounts	61	3,500	3,500
The Judiciary	60,210	59,223	60,394
<i>Total Dedicated Funds</i>	<u>3,233,310</u>	<u>3,467,594</u>	<u>3,414,138</u>
Federal Funds			
Department of Agriculture	271,295	328,390	353,470
Department of Banking and Insurance	170	---	---
Department of Children and Families	346,493	385,559	376,545
Department of Community Affairs	337,651	321,860	317,556
Department of Corrections	9,044	10,281	9,088
Department of Education	832,047	796,823	846,099
Department of Environmental Protection	46,725	228,422	186,101
Department of Health and Senior Services	1,531,169	1,673,791	1,626,609
Department of Human Services	3,820,472	4,018,827	4,088,691
Department of Labor and Workforce Development	369,409	428,917	435,423
Department of Law and Public Safety	106,660	206,285	215,620
Department of Military and Veterans' Affairs	31,828	50,785	36,208
Department of Personnel	325	---	---
Department of the Public Advocate	994	1,650	1,650
Department of State	32,096	35,587	34,816
Department of Transportation	25,743	61,656	57,991
Department of the Treasury	3,815	5,416	5,420
Interdepartmental Accounts	197	---	---
The Judiciary	81,358	93,403	96,664
<i>Total Federal Funds</i>	<u>7,847,491</u>	<u>8,647,652</u>	<u>8,687,951</u>
Revolving Funds			
Legislature	7	---	---
Department of Community Affairs	12,104	11,229	11,150
Department of Corrections	32,334	31,085	30,515
Department of Education	2,424	2,269	2,269
Department of Environmental Protection	799	390	427
Department of Health and Senior Services	13,052	17,247	19,366
Department of Human Services	6,695	6,428	6,428
Department of Labor and Workforce Development	396	---	---
Department of Law and Public Safety	181	275	275
Department of State	534	200	465
Department of Transportation	397	---	---
Department of the Treasury	85,450	87,170	87,170
<i>Total Revolving Funds</i>	<u>154,373</u>	<u>156,293</u>	<u>158,065</u>
<i>Total Expenditures General Fund</i>	<u>11,235,174</u>	<u>12,271,539</u>	<u>12,260,154</u>
SPECIAL TRANSPORTATION TRUST FUND			
General	2,264,715	2,560,772	2,513,260
GRAND TOTAL EXPENDITURES NOT BUDGETED	<u>13,499,889</u>	<u>14,832,311</u>	<u>14,773,414</u>