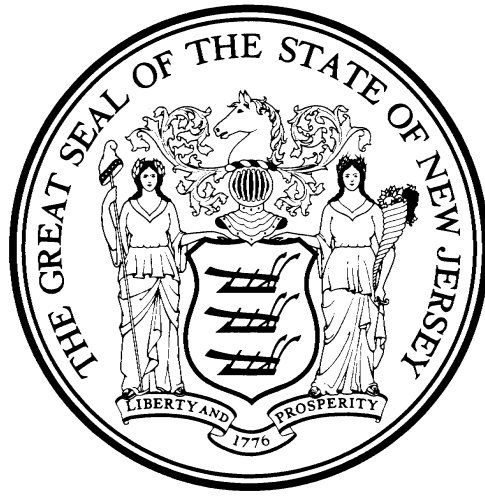


# STATE OF NEW JERSEY

# BUDGET



**FISCAL YEAR 2004 - 2005**

**JAMES E. MCGREEVEY, Governor**

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

**Charlene M. Holzbaur  
Director**

**Robert L. Peden  
Deputy Director**

**Gary J. Brune  
Associate Director**

**Jacki L. Stevens  
Assistant Director**

**Office of Management and Budget**

**February 24, 2004**

**JAMES E. MCGREEVEY  
GOVERNOR OF NEW JERSEY  
TRANSMITTED TO THE FIRST ANNUAL SESSION  
OF THE TWO HUNDRED AND ELEVENTH LEGISLATURE**

Mr. President , Mr. Speaker, Distinguished members of the Legislature, honored guests, fellow New Jerseyans ...

It has been a long time coming ... Painful decisions and tough choices... Late nights and fights against special interests that were accustomed to having their way.

But today, we know our choices and decisions have put New Jersey on the right track.

Our children's reading and math scores are among the best in the nation. We have created some of the highest standards for new teachers anywhere.

We have stood up to the developers with the nation's toughest standards to protect our drinking water and our open space.

And today, our tax system is fairer ... unemployment is down and job creation is up ... our economy is the envy of the northeast ... and after years of moving in the wrong direction, New Jersey is on the right track.

Together, under the skillful hand of Treasurer McCormac, the leadership of Speaker Sires and Senate President Codey ... Majority Leaders Kenny and Roberts ... Budget Chairmen Bryant and Greenwald ... and Appropriations Chairwoman Watson-Coleman, we reigned in government spending ... and balanced the budget without an increase in the sales or income tax.

I know it hasn't been easy.

At every turn, the special interests opposed us, but unlike the government in Washington, we stood our ground -- we made the tough choices, and we fought the tough fights.

We offered the people of New Jersey straight talk and we never promised a free ride nor suggested that everyone could have everything.

We asked sacrifice from every resident of New Jersey ... every part of our state ... and every level of government.

These shared sacrifices have yielded better times and brighter days and an economy whose recovery endorses our actions.

Today, New Jersey is moving in the right direction. And we didn't get here by accident.

New Jersey is moving in the right direction because our decisions have been guided by clear principles that have made us stronger ... that have made us better ... that have made us a national leader, with other states following our example.

Today's budget is shaped by the same principles that have governed our decisions in each of the budgets I have presented to this legislature.

Our first priority has been protecting the hard working taxpayers of New Jersey, and this budget is once again balanced without raising sales or income taxes.

Next, we have continued to make investments where they would create the greatest opportunity: in our economy -- to create the jobs of today... in record investments in education -- to create the workforce of tomorrow.

We have also lived up to our commitment to protect the most vulnerable among us -- from children in foster care, the developmentally disabled, to seniors who need affordable prescription drugs.

Lastly, we have insisted that state government live within its means and we have refused to spend money that we don't have.

And those choices have put New Jersey on the right track.

From the day I took office we began restoring fairness to a tax system that had been allowed to benefit the few at the expense of the many.

For too long, too many giant corporations in New Jersey avoided paying their fair share while hard-pressed middle-class families bore the brunt of the tax burden.

New Jersey has many upstanding corporate citizens, but many billion dollar companies paid only \$200 in taxes while middle class families were paying \$2,000. That was wrong and we changed it.

## GOVERNOR'S MESSAGE

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For twenty-five years, casinos didn't see a single tax increase while middle class families shouldered a bigger burden. That was wrong and we changed it.

We heard the dire predictions about the consequences that would befall our state if we restored fairness to the system.

We were told that asking twelve casinos to pay their fair share to support 220,000 seniors would destroy the economy of an entire region of the state.

We were told that closing loopholes in the corporate business tax would destroy our economy and cost tens of thousands of jobs.

Every one of those predictions has been proven false.

Today our tax system is fairer ... we are adding a record number of new businesses ... and our economy has created more jobs than all the states in the northeast combined.

And those decisions have built a better New Jersey. A New Jersey that is moving in the right direction. As we have restored fiscal responsibility, our economy has responded with growth that is the envy of the nation.

While the Administration in Washington has lost two million jobs, we in New Jersey have added 40,000 since the Legislature passed my first budget.

Our unemployment rate has been lower than the national average for nine straight months. Our enhanced business and job attraction program has approved 25 new companies and 3,500 jobs in the six months since we signed it into law.

We have had a record number of new business filings two years in a row -- 70,000 new businesses started in New Jersey last year alone.

Our economic development authority has increased its financing by over 60 percent and generated 1 billion dollars in new investment.

Our Camden redevelopment plan has generated over 1 billion dollars in private capital investment.

Our investment in the Meadowlands will generate 1.4 billion dollars in economic activity and create 20,000 new jobs.

But don't simply take my word that we are a national leader in creating jobs and growing businesses. This month's Inc. Magazine looked at the top cities in America in which to do business.

Here's what they found. Two New Jersey cities were in the top 10 places in America and a third is in the top 25. No other state in the Northeast can make that claim.

Talking about their survey -- with three New Jersey areas among the national leaders -- Inc. Magazine wrote, quote: "These are among the unexpected places where businesses are adding jobs most rapidly and many people are moving in search of new lives, creating tremendous opportunities for entrepreneurs."

All of these things are happening because WE made the hard decisions... WE made the right decisions ... WE imposed the necessary fiscal discipline ... and WE always put the hard working families of New Jersey first.

The record is irrefutable; so here it is -- no rhetoric, just the facts.

We dedicated over half of the State budget -- 12.3 billion dollars -- to property tax relief.

Fifty cents of every dollar collected by the State of New Jersey goes back to the taxpayers through aid to their towns, school districts, and direct property tax relief for homeowners.

We provided more aid to local school districts than has ever been provided in history.

We spent four billion dollars to literally re-build our school system by saying to every community that if you need to build a new school, local taxpayers don't have to do it alone.

We balanced two budgets and eliminated over 14 billion dollars in deficits without raising the sales or income tax.

We closed a billion dollars of corporate tax loopholes.

That's a billion dollars that won't have to be paid by New Jersey's hard working families ... a billion dollars in cuts to vital programs they will not have to endure.

We cut spending on government operations and held overall spending below the rate of inflation for two years in a row -- no one has done that in nearly fifteen years.

When we took office the fiscal reserve was zero. And in the face of enormous deficits, we have rebuilt our budget reserve to 400 million dollars.

In contrast, the Administration in Washington has given tax breaks to the people who need it the least ... and somehow ... managed to turn a record surplus into a historic, half trillion dollar deficit ... all on the way to losing over two million jobs.

We should be proud of the job we did, how we did it, and what we have done to get the New Jersey economy moving in the right direction.

Now, we must remain true to the fiscal discipline that has brought us to this point.

We cannot do as they have done in Washington and embrace fiscal irresponsibility as the path to economic salvation.

For the third year in a row this budget is balanced ... without an increase in the sales or income tax.

We have reduced the use of one-time revenues by 1 billion dollars and we have used state dollars to replace the 500 million dollars in aid the Federal government has slashed.

Borrowing is down from last year, and unlike the past, every dollar borrowed is paid for with a dedicated source of new revenue.

For the third year in a row, spending on government operations is down.

I am proud that we are investing more money in our schools, in municipal aid to keep property taxes down, in health care for seniors and women and homeland security to keep our families safe.

And for those who want to argue that there is too much spending, show me the specific reductions you want to make in aid to school districts or senior property tax relief or veterans care or DYFS reform.

We are on the right track. We are beginning to reap the rewards from two years of hard choices and tightened belts.

We can use the dividends of our fiscal discipline to build a New Jersey where every parent in every community has access to high quality pre-school and after school programs.

Last week, New Jersey's pre-school program was honored by the National Institute for Early Education Research for having both the highest pre-school standards and the most comprehensive access for low income children anywhere in America.

You should be proud that as a result of the investments you have made over the past two years, we have increased enrollment in our Abbott pre-school program by 40% and set a national standard for excellence.

That is the type of achievement and success that was intended by the Supreme Court and it is having a measurable impact on the educational achievements of our children.

But the value of pre-school is universal and too many parents are still finding that high quality and affordable pre-school is out of their reach.

And that means too many of our children are missing out on early learning experiences that can influence the rest of their lives.

Today, I propose to bring the same commitment ... the same high pre-school standards that won New Jersey national acclaim to suburban communities all across New Jersey.

With your help, this budget will provide 15 million dollars to expand high quality pre-school to 20,000 additional four- year-olds in the next year.

And we will invest an additional 15 million dollars to start "New Jersey After 3", the nation's first statewide public/private after-school program that will serve 20,000 children next year alone.

And that will build a better New Jersey.

We can use the dividends of our difficult decisions to invest in job creation.

## GOVERNOR'S MESSAGE

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We can build a New Jersey where every high school graduate who wants more education or job training can find it close to home at an affordable price.

Research tells us that students who obtain an associate's degree will earn 400,000 dollars more over their lifetime than a high school graduate. And 95% of community college graduates stay in New Jersey.

These students will become the foundation of our workforce and we must make sure that the benefits of a community college education are within their reach.

We must invest in them so that they can invest in themselves.

This budget will open up a new door of opportunity for 9,000 high school students.

Today I'm calling on this Legislature to create the New Jersey Stars Program, the first New Jersey program to guarantee that every student who performs at the top of his or her high school class will have access to a college education.

To the high school students in New Jersey -- this budget poses a challenge.

If you graduate in the top 20% of your class, the State will make sure that your tuition at a community college is covered.

You do the work... you make the grades... and our NJSTARS program will cover the cost.

And that will keep the New Jersey economy moving in the right direction.

Our economy will grow in proportion to the skills of our workforce and our community colleges are the backbone of New Jersey's job training efforts.

Last year they provided training for over 50,000 employees at over 500 companies.

In order to expand our community college job training partnership, this budget will increase the community college construction and renovation program by 100 million dollars.

This will provide job training to 30,000 additional members of the workforce through the construction of new classrooms, laboratories, and training facilities at community colleges across this state.

There have been no better proponents of the community college system than Speaker Sires and Senator Bryant.

They have been champions of these two initiatives, and they deserve special recognition for their efforts to make sure that higher education is within the reach of everyone.

Thanks to both of you.

Capacity constraints are being felt across our system of higher education.

Our economy cannot afford to let the doors of an affordable quality education at our state universities close to our own high school graduates because of a growing lack of space. Or force others out of state.

This is an investment we must make.

I am asking the Legislature to look at the community college model for capacity expansion and work with us to create similar opportunities for universities and colleges to meet their growing capacity demands.

And together, by building more classrooms, we will build a better New Jersey workforce and keep our economy on the right track.

Our state colleges and universities have also shared in the budget sacrifices of the last two years. And so today, I am asking this legislature to increase funding for our state colleges and universities by 70 million dollars .

Together, they serve over 157,000 New Jersey students every day. It is our obligation to support them.

To keep our economy growing, there are several concrete steps we should take to invest in the industries that offer the highest-paying jobs and the greatest opportunities for growth:

First, we should provide new resources for growing high-tech companies by increasing by 50% the funding for the technology tax credit transfer program;

Second, we should encourage collaboration with our universities by dedicating half of these additional funds to high-tech companies working in our new innovation zones;

Third, we should duplicate the success of our enhanced jobs attraction program with a new jobs retention program that reflects the realities of today's economy.

We have worked together with business to create jobs and now we must work together to keep the good-paying jobs we already have.

As we keep our jobs in New Jersey ... as we invest in the workers of today and the innovators of tomorrow, we will build a stronger economy for New Jersey.

With the fruits of our shared sacrifice, we can invest in the health care of New Jersey, and this budget fully funds our Family Care program.

We can build a New Jersey where access to mammograms is within the reach of every woman and our seniors are given new choices for long term care.

And with an increase in the cigarette tax, we can provide a dedicated funding source and an increase in aid for charity care assistance for our hospitals.

As our seniors confront long term care decisions, they deserve the same respect, dignity, and choices that they have earned through a lifetime of hard work.

Today, I am proposing to fundamentally change the way our state funds the long term care of our senior citizens.

For too long, government has forced seniors to choose between going into a nursing home or giving up the government funds which pay for their care.

For the first time ever, our budget will provide the flexibility we need to allow more seniors to live with dignity at home ... or with a relative ... and still receive the money that New Jersey has earmarked for their long-term care.

This puts the choice for long term care where it belongs -- with seniors and their families -- not with government bureaucrats.

This has been a top priority of AARP. We can thank them for all their efforts by creating this landmark "Senior Care" program and telling every family in New Jersey that the proper care of our seniors should be a choice made by them and no one else.

And that will build a better, a more compassionate New Jersey.

Last year, we asked casinos to pay their fair share to support our prescription drug program and, as a result, our budget provides full funding for PAAD and Senior Gold without any changes in eligibility.

But now, I need bi-partisan support to make sure New Jersey seniors and our prescription drug program receive our fair share from Washington.

Join with me ... with AARP ... and let's send Washington a message:

New Jersey's prescription drug program is better, more generous. And we won't stand idly by if they insist on replacing New Jersey's program with Washington's.

As we look to the most pressing health needs in our state, there are few more important than the investments we are making in cancer research and cancer care.

This budget continues the cutting edge research and care being provided by the Cancer Institute of New Jersey and South Jersey's new Cancer Institute.

But access to preventive screenings like mammograms is the most important weapon we have in this deadly fight.

As I have visited with women across this state to talk about our effort to require insurance companies to cover mammograms for women under forty, I have been struck by the one request I have heard at every forum in every county.

They say: 'Governor, make the insurance companies cover mammograms -- but you must also do something to help the thousands of women without any insurance. They need your help.'

I cannot accept that in a state of our wealth and compassion that any woman should have to forego a mammogram because she doesn't have insurance --

## GOVERNOR'S MESSAGE

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So I ask you to support my proposal to double state funding to help women without insurance receive breast and cervical cancer screenings.

And together, we will provide mammograms for 15,000 women next year.

And that will build a better, a healthier New Jersey.

Our nation's veterans deserve a special place of recognition and gratitude for the sacrifices they have made so we may enjoy the freedoms that we do.

Across the state, our budget will provide new funding to make sure that as our veterans grow old, they are cared for with the dignity and thanks they have earned.

This spring, we will open the Old Glory Wing in Menlo Park and add room for 40 new residents.

In Paramus, we will begin the construction of a new all-purpose activities room, improving the quality of life for 336 residents.

And in Vineland, we will provide room for 68 more veterans with a new building at the Vineland Veterans home.

And these steps will help our Congressional delegation send a message to the Administration in Washington that we need to expand health care for veterans, not close their hospitals.

As we care for the men and women who have served our country, we must ensure that those who now serve our state on the home front of the war against terrorism are given the tools to do their jobs.

So I ask you to support a new cell tower assessment with all proceeds dedicated to improving 9-1-1 emergency response systems, hiring 200 more State troopers in addition to the 200 already planned for this year, and providing 400 new State Trooper patrol cars.

And that will build a better, a safer New Jersey.

It was less than two months ago that so many of us joined together with Christopher Reeve and countless families to usher in a new era of hope in New Jersey.

Everyday as I travel around this state, I meet people who thank us for our courage and our faith.

My friends, the hope that burns so deeply in these families, their faith that science will discover a cure, must be answered in this budget.

We cannot be satisfied with simply passing stem cell research legislation.

We have an obligation to every patient afflicted with Parkinsons, to every family that has watched a loved one suffer from ALS or Alzheimer's, to seize the opportunity before us.

Today, I propose to go where no other state has gone -- to invest State funds in your courage and the hopes of so many families -- with the creation of a new research institute, the New Jersey Institute for Stem Cell Research.

To start this project and to attract the top researchers and investigators to New Jersey, this budget will provide 6.5 million dollars in initial funding that will leverage additional private research dollars from across this country.

It will put New Jersey at the forefront of medical and pharmaceutical research in this country. And it will put us one step closer to fulfilling our dream -- that some scientist will find a cure for the incurable.

And that will build a better, a more courageous, New Jersey.

These investments in jobs, in education, and in health care for our citizens reflect the priorities of our government. They are all things that will build a better state and will keep New Jersey moving on the right track.

But ultimately, societies are judged by the way they provide for those who cannot care for themselves.

As part of this budget, I am asking each of you to consider the most basic of governmental responsibilities -- the protection of children who cannot protect themselves.

No one can be proud that there are parents who neglect and abuse their children or that our government has too often failed to intervene as quickly as it should have.

For too long, the Division of Youth and Family Services has been unable to meet its critical mission.

So we have taken an unprecedented step. We have enlisted outside experts and subjected the State to their scrutiny because we will do whatever it takes to make this right.

I am not afraid of the scrutiny because we cannot -- we must not -- tolerate failure.

Less than one week ago, Human Services Commissioner Jim Davy handed me a comprehensive plan to reinvent the state's child welfare system.

It is bold... it is thorough...and it is necessary.

It will not be inexpensive, but it will pale in comparison to the cost of inaction.

In this budget, I propose a 125 million dollar increase in funding for the Department of Human Services to adopt this ambitious reform plan -- which will reduce caseloads and rebuild DYFS from the ground up.

I know this is a significant investment to make, but we must be prepared to match the outrage of our rhetoric with the conviction to act.

I need your input in this process ... but let me be clear -- I am prepared to fight for the necessary funding.

And I am prepared to veto any budget that does not do right by our children.

Together we will build a safer New Jersey for our children.

Today, I have talked a great deal about the decisions we have made to restore fiscal discipline and revitalize our economy.

I have spoken about the priorities of our state and the investments I want to make in jobs, in health care, and in the education of our children.

And as our state revenues increase, our schools must receive first priority for funding.

I am extremely proud that the largest single increase in this budget will be for school funding.

This budget will double the increase in aid that was given last year.

We will provide an additional 100 million dollars to Abbott school districts and an additional 100 million dollars to non-Abbott school districts.

This will enable every school district to receive a 3% increase in aid ... but we will also target additional aid to specific communities in need.

We will provide 5 million dollars in special aid to help certain non-Abbott schools implement efficient and effective programs to raise their student achievement.

We will provide 5 million dollars to be awarded to the twenty school districts that best demonstrate the efficiency and effectiveness that promotes high student achievement.

And we have set aside 5 million dollars to help our fastest-growing communities cope with the increased school costs of a rising population.

But we must do more to help these fast growing communities. So when you send me a budget, also send me impact fee property tax relief legislation.

New homes bring new students who are forcing growing towns to meet growing educational costs. So let's pass this bill so that we can give our towns more tools to protect their taxpayers.

And this increased aid will build a better New Jersey and keep our schools on the right track.

I am extremely proud that we have achieved the important goal laid out by the Supreme Court and we have eliminated the fiscal gap between Abbott and wealthier school districts.

But New Jersey's system of school finance will not be effective until it addresses the educational needs of all students regardless of their hometown.

There are too many children who have precisely the same challenges as children in Abbott districts, but because of where they live, they don't receive the educational support that other children receive.



## GOVERNOR'S MESSAGE

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Our effort has produced encouraging evidence that some of our Abbott districts are producing inspiring student results that exceed those in many suburban districts, even as some Abbotts are not making the progress that we hoped.

Our funding approach must assure everyone that we are demanding both educational excellence and accountability for every school district in the state.

On the issue of spending by school districts, I want to be clear.

My Administration is prepared to be an advocate for the children and the taxpayers of this state against inefficient and ineffective spending.

This budget will place limits on the administrative expenses of school districts so parents can know that their tax dollars are going into the classroom and not into the bureaucracy.

We are providing a significant increase in aid to local school districts, but we will not tolerate inefficient and ineffective spending that accomplishes nothing but an increase in local property taxes.

So I have instructed Commissioner Librera to use the powers of his office to review school district spending to make sure school budgets is funding actual educational achievement.

Let me summarize once again what we are doing to provide new and immediate property tax relief in this budget.

We are devoting fully half of the budget to direct and indirect property tax relief programs.

We are doubling funding for the Senior Citizen property tax freeze program and bringing all of last year's applicants into the program. This will allow 130,000 seniors to have their property taxes frozen.

We are preserving the homestead rebate for 1.6 million people, the veterans property tax deduction for 320,000 residents, and the New Jersey Saver for 1.2 million taxpayers all at their current levels.

We are maintaining the maximum \$10,000 property tax deduction for two million taxpayers.

We are increasing school aid by more than \$200 million for a historic total of 8.7 billion dollars.

We are providing special aid for the fastest growing communities and calling on the Legislature to provide additional aid to these towns by passing impact fee legislation.

We are quadrupling last year's increase in municipal aid by 32 million dollars for a total of 1.8 billion dollars.

We are building on the work of Assembly Majority Leader Roberts and Senate Minority Leader Lance and doubling funding for REDI grants to promote efficiencies and shared services.

We are creating new Taxpayer Hero grants to reward Mayors that hold the line on property taxes.

And we are continuing the effort to eliminate wasteful and unnecessary bureaucracies and provide local taxpayers accountability for their tax dollars.

Everything we have here is far more than we were able to do in our last two budgets.

Everything we do here places the emphasis where it belongs -- on bringing property relief to every taxpayer in this state.

But I do not want to leave anyone with the impression that this budget is the end of the discussion. It is only the beginning and I will be back.

I refuse to allow another year to go by without asking this legislature to do more.

The realities are stark ... the challenges immense ... and the consequences of inaction are simply unacceptable.

No branch, no level of government can do this alone. We must do it together and we must do it this year.

The dictionary defines a Budget as "An itemized summary of probable expenditures and income for a given period."

Those of us who have been through the budget battles before know it is so much more than a list of probable expenditures and income ... or a series of lines with numbers.

Its meaning is much deeper than the phrases that we casually toss around -- revenue estimates... income projections... line-items ... and yes, securitizations.

It embodies the aspirations of a generation of children who want to go to college and the hopes of a legion of families who want to see their loved ones receive better health care.

This book reflects the conscience of our state and the collective compassion of our citizenry.

It is our document of accountability to the public for the taxes they pay and the services they receive.

In years past, it has reflected the tough choices of a difficult time. Today, it reflects the investments of a state that has put itself back on the right track.

Investments that mean more children will be able to go to pre-school ... and more young people will be able to afford college ... Choices that mean more workers will be able to take advantage of job training ... and more companies will come to New Jersey.

Priorities that mean more seniors will have access to affordable prescriptions... and more women will have access to mammograms...

And values that mean more of our most vulnerable young people will finally be given the protection they deserve.

For two years, we have made tough choices to meet the burden of tough times.

We have asked for sacrifices as we have demanded fairness. So today we can say New Jersey has turned the corner and is now moving in the right direction.

The future of New Jersey is brighter today than it was two years ago -- not simply by the actions of government, but through the hard work of the people and businesses of this great state.

This is what happens when we join in common purpose to pursue a common vision. We have laid the groundwork for a better tomorrow.

In the months ahead I look forward to working with the bi-partisanship leadership of the Legislature, Speaker Sires, Senate President Codey, the Majority Leaders Roberts and Kenny, budget and appropriations chair persons, Greenwald, Bryant, and Watson-Coleman as well as Minority Leaders Lance and DeCroce and budget officers Littell and Malone.

The challenges continue... the fight for tax fairness goes on... and the tough choices don't go away. But today, thanks to that fiscal discipline we have shown, we are beginning to see the fruits of our labors.

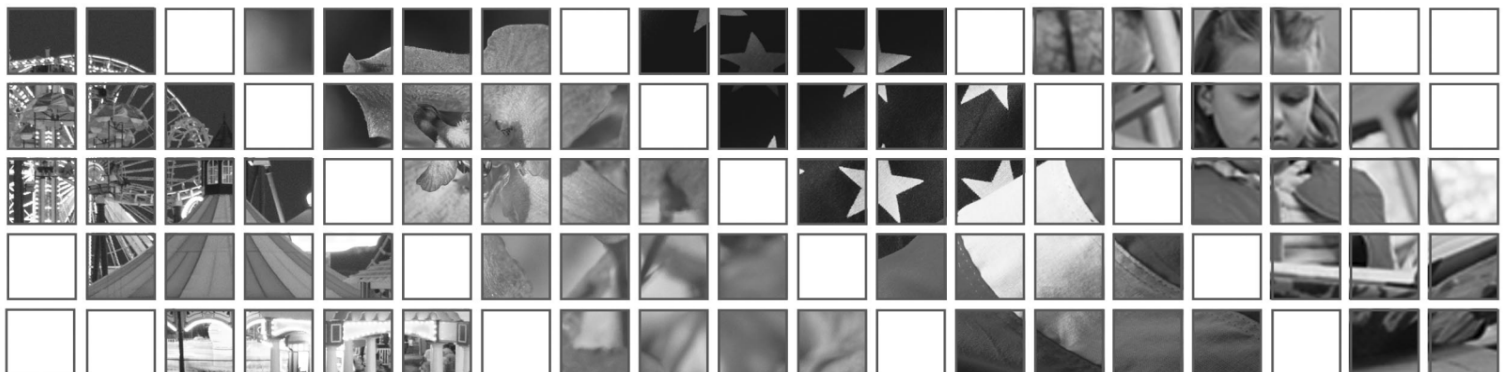
We have put New Jersey on the right track and we are moving in the right direction.

The sun is rising on the New Jersey horizon and greater hope and opportunities are here for all our citizens.

Now, let's get to work.

# Reader's Guide

This section of the Budget is designed to assist readers with interpreting and understanding the content of the Governor's annual budget proposal. Included are brief descriptions of the major sections of the Governor's Budget, a guide to reading the financial tables included in the budget summaries, and a brief description of New Jersey's budget process.



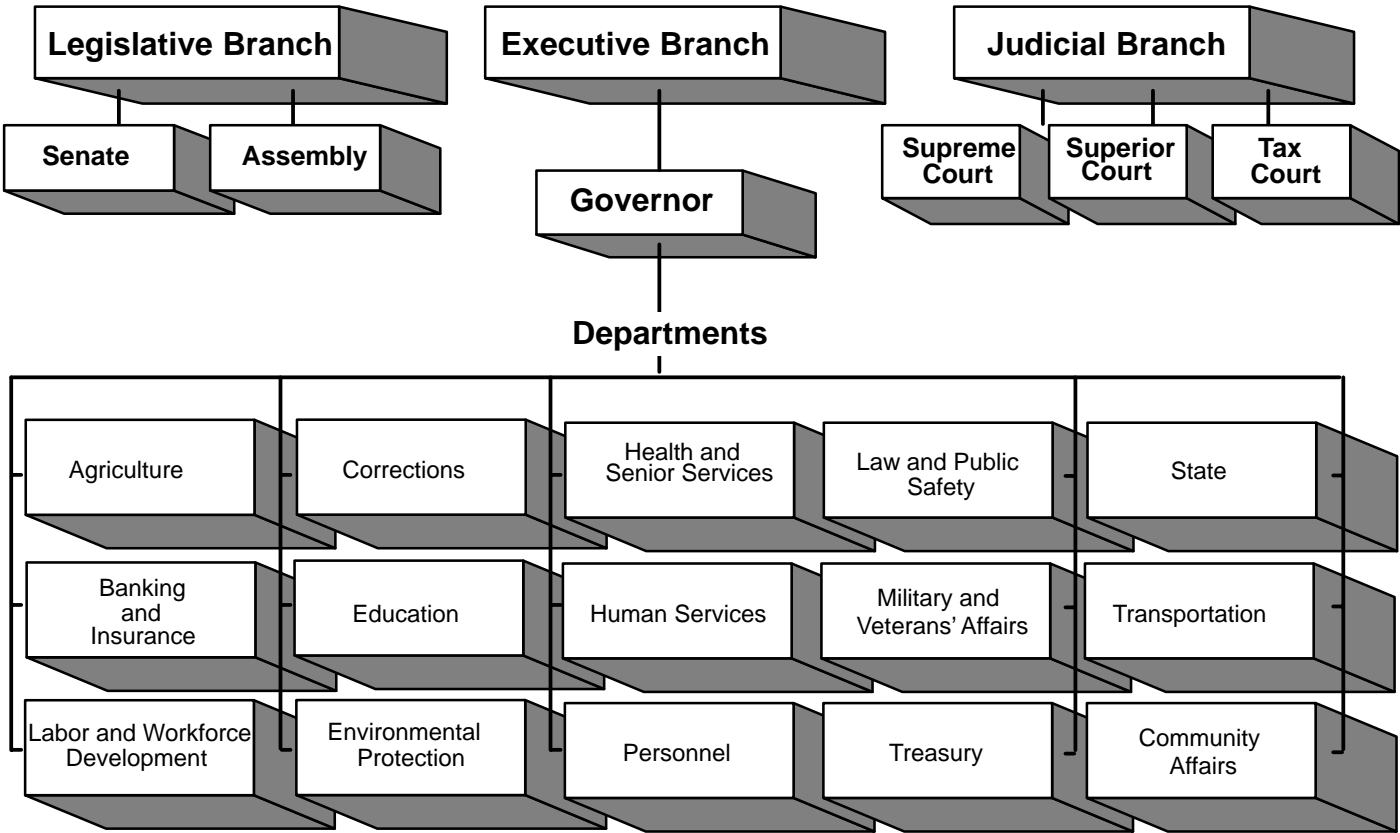
**Background**

The State of New Jersey was one of the original thirteen colonies, and was the third state to ratify the United States Constitution in 1787. New Jersey's governmental structure is similar to the federal model, with three separate branches of government – a Legislative Branch, a Judicial Branch and an Executive Branch. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded in 1844 and 1947.

The Constitution of the State requires a balanced budget and restricts State long-term borrowing to one percent of total appropriations, unless higher amounts are specifically approved by voters at a general election. Short-term borrowing to cover cash flow needs, provided such borrowing is repaid within the same fiscal year, is not prohibited by the Constitution, and is authorized in the Annual Appropriations Act.

A State Government Organization chart is provided below:

**ORGANIZATION OF NEW JERSEY STATE GOVERNMENT**



### THE STATE BUDGET PROCESS

The current budget process, the Integrated Planning and Budgeting Process, was first implemented for the production of the fiscal 1991 Budget, replacing other systems such as Zero-Based Budgeting (ZBB) and the Planning, Programming, and Budget System (PPBS). It uses several key features from previous budget processes, and is designed to result in planning-driven budgets. Implementation of the process usually begins during the month of April, some fifteen months prior to the year for which the budget will be effective. The State Budget cycle is set on a fiscal year basis, which extends from July 1 to June 30 of the following year.

To formally initiate the process, the Office of Management and Budget (OMB) provides salary projection reports and technical budget instructions to the departments in August. Among other things, this enables the agencies to determine how their base budget should be arranged, including any desired reallocations, in the coming budget year. Any recommended changes identified later with the budget process are then applied to this base.

The ensuing planning process includes reviews of the Governor's program priorities, economic forecasts, demands assumptions, and analyses of selective program areas. General guidance is provided to each State agency in September by OMB, including preliminary budget targets.

Agencies prepare planning documents which describe (1) their ability to provide current services within the budget target (including projections of mandatory growth), (2) the agencies' priorities for reduction of current services if requested, and (3) priority packages representing either expansion of current programs or new programs. The Office of Management and Budget (OMB) reviews the planning documents with the agencies from November through mid January, and preliminary recommendations are agreed upon.

During the months of January and February, the Director of OMB reviews budget recommendations with the State Treasurer, the Governor, and the Governor's staff. Normally, the Governor makes the final decisions in February.

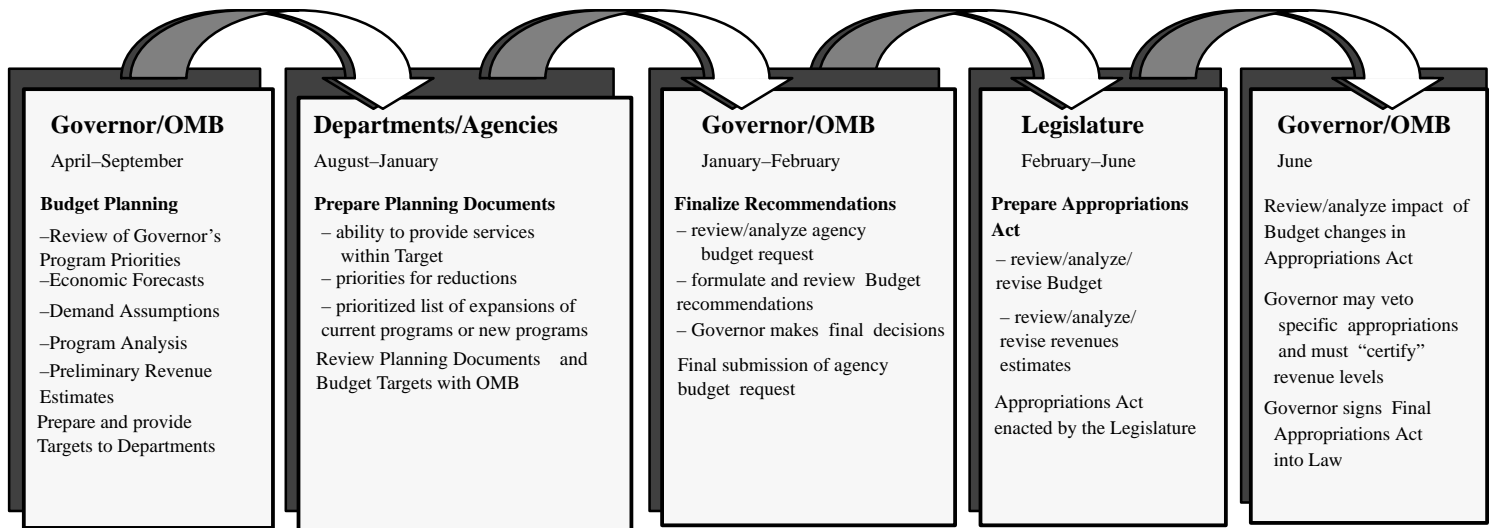
The planning portion of the process culminates in the final submission of the agency budget request to OMB in February, which is forwarded to the Legislature. The Budget Message, representing the Governor's recommendations on how revenues should be allocated, is delivered to the Legislature on or before February 24th of each year. From year to year, the Budget is the single most important policy statement that the Governor makes.

The annual review process for capital spending requests and recommendations, which runs somewhat parallel to the process described above, has several stages. All State departments requesting capital funding must submit a seven-year Capital Improvement Plan to the New Jersey Commission on Capital Budgeting and Planning. Each capital project request requires an operating impact statement. Departments must document whether a project will have an affect on operating budgets and must quantify such information. The Commission schedules public hearings for each agency, analyzes the capital requests, and recommends projects to the Governor. The Governor, in turn, selects projects to be recommended in the annual Budget.

The Legislature, through a series of hearings conducted by its Appropriations Committees, reviews the Budget and makes changes. The Legislature also reviews the revenue estimates included in the Governor's Budget and, based upon several additional months of actual revenue collections in the current fiscal year, makes adjustments to the Budget's revenue projections and surplus estimates.

The Budget, including changes made by the Legislative Committees, then must be approved by the Senate and the Assembly; and, according to the New Jersey Constitution, a balanced Budget must be approved and signed by the Governor before July 1. After the Legislature passes the Appropriations Act, the Governor has the power to veto specific appropriations (line items), or appropriation language segments, some of which may have been added by the Legislature as a result of its review. The line-item veto allows the Governor to reshape the final Budget and ensure that appropriations do not exceed the certified level of revenues. (As part of the final Appropriations Act, the Governor must "certify" the level of revenues in order to meet the constitutional requirement of a balanced budget.) The final approved Budget, which includes the Governor's line-item vetoes and certification of revenues, is the Appropriations Act. Once the budget is enacted, it becomes an effective tool for fiscal control and monitoring program effectiveness.

Throughout the course of the fiscal year, the Legislature has the authority to pass legislation that provides funding for programs and projects above and beyond those provided for in the Budget. The additional amounts of funding provided by these acts of the Legislature are referred to as "supplemental appropriations." The Director of Management and Budget also has statutory authority to authorize supplemental appropriations at any time during the fiscal year by virtue of authorizing budget language contained in the Appropriations Act. This is accomplished and documented by the issuance of Directory Letters from OMB.



## HOW THE BUDGET IS ORGANIZED

The New Jersey State Budget is divided into five major sections, which provide information on a broad range of budget related topics, including anticipated state revenues, gubernatorial policies and new initiatives, and agency programmatic achievements. The major sections are described below:

- 1.) The ***Governor’s Budget Message*** describes in general terms the policies and new initiatives as well as the reductions and efficiencies proposed in the Budget. The Governor’s Message generally includes a description of the economic situation within the state and the expected impact of projected economic trends on the state’s fiscal condition. The Governor’s Message may also include broad programmatic goals for each of the individual State departments or major segments of the government as well as policy directions for the upcoming fiscal year.
- 2.) The ***Summaries of Appropriations Section*** of the Budget includes a selection of tables and charts designed to summarize the Governor’s recommendations and highlight the major changes included within the proposed Budget. For instance, the *Budget in Brief* provides a summary of total revenues and recommendations for each of the state’s major fund categories, such as the General Fund, Casino Revenue Fund, and Property Tax Relief Fund. This section also includes a number of fiscal tables which explain the Governor’s recommendations at various, significant levels of aggregation.

*Summary of Appropriation Recommendations*  
*Summary of Appropriation Recommendations by Fund*  
*Summary of Appropriation Recommendations by Organization*  
*Summary of Appropriations by Category or Purpose*  
*Summary of Appropriations by Statewide Program*  
*Appropriations – Major Increases and Decreases*

Also included within this section is the *Major Highlights* of the fiscal year 2005 Budget, which discusses the major programmatic and operational impact of the budget proposals.

Additional summaries of major increases and decreases, and charts and graphs depicting significant programmatic or fiscal trends included within the FY 2005 Budget are also included within this section.

- 3.) The ***Summaries of Revenues, Expenditures and Fund Balances*** section provides an overview of the state’s economy and revenue outlook and the impact that anticipated economic trends will have on the state’s revenue estimates. The tables included within this section highlight the state’s major revenue sources, such as the income tax, sales tax, corporation tax, etc., and provide year-to-year comparisons and projections for the fiscal year 2005 budget year. Most of the schedules and exhibits in this section are displayed by *Fund*. For the purposes of state financial accounting, funds are accounting entities which segregate financial resources according to the purposes for which they may be used.

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This section includes four "major schedules" which provide detail of actual and estimated revenues and expenditures by department. Within each department, individual revenue sources are shown, including those which are dedicated to support specific functions or programs and are derived from fees, fines, or charges for services, which are established by law or agency regulation.

**Schedule I** depicts anticipated revenue which, together with estimated beginning Undesignated Fund Balance (Surplus), provide the resources for the recommended appropriations summarized in **Schedule III** (Expenditures Budgeted).

**Schedules II & IV** enumerate estimated revenues and expenditures on an as received basis over and above the general revenues and specific line item appropriations shown in **Schedules I & III**.

- 4.) The **Budget Recommendations** section is the largest section of the Budget and includes the greatest detail on proposed appropriations. It is divided into categories based on the source and use of appropriations; and is organized by Governmental Branch and sorted in alphabetical order by agencies or executive departments. The major sub-divisions of this section are summarized below:

- a. Department and Branch Recommendations  
(Direct State Services, Grants-In-Aid, State Aid and Capital Construction)
- b. Debt Service
- c. General and Federal Fund Language Provisions
- d. Revolving Funds
- e. Appendices

### 4.A.) Budget Recommendations – Overview

For fiscal 2005, the Budget displays all of a department's non-debt appropriations in a single subdivision of the document. The separate sub-divisions for Direct State Services (i.e. funds to support operations), Grants-In-Aid, State Aid and Capital Construction are now shown together in a consolidated display. Appropriations for Dedicated Funds (e.g. Property Tax Relief Fund, Casino Revenue Fund, etc.) are also included in the consolidated departmental presentation. An aggregate view of appropriation recommendations affecting State Aid, the Casino Revenue Fund, etc., are presented in new summaries in the "Summaries of Appropriations" section.

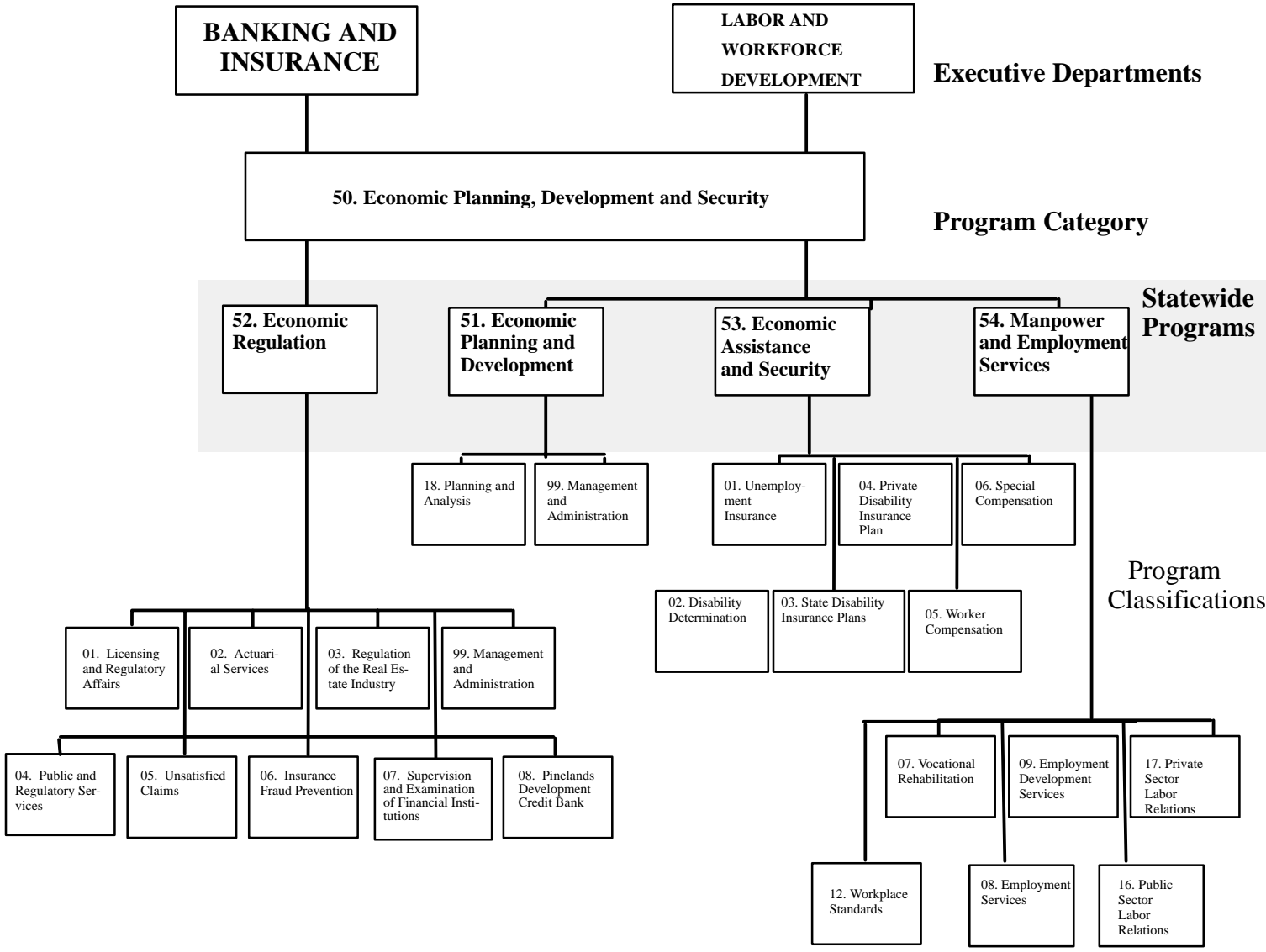
These changes were made to better organize program descriptions and operating and evaluation data with the relevant appropriation recommendations. This consolidated presentation will provide readers with a comprehensive view of all of a department's operations, across all spending categories and funds. This should help New Jersey citizens better understand the relationships between *all* of the recommendations affecting departmental programs.

Each of the sub-sections of the *Budget Recommendation* section follow a consistent hierarchical order – Department, Program Category, Statewide Program, Organization and/or Program Classification. Individual departmental presentations are grouped by "Statewide Program" which represent a high level, functional grouping of related programs contributing to a broad statewide objective. Statewide Programs generally span several departments. Examples of Statewide Programs include Public Safety and Criminal Justice, Natural Resource Management, and Parole and Community Programs.

Below Statewide Programs, the Budget presentation is further broken down into "Program Classifications," which represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Examples of program classifications include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Detailed descriptions of agency program classifications are provided at the beginning of each statewide program presentation within a department, along with objectives for the entire statewide program.

In the Department of Labor and Workforce Development for example, all programs are grouped under the broad **Program Category** of *Economic Planning, Development and Security*. They are further divided into the following four **Statewide Programs**: 1.) *Economic Planning and Development*, 2.) *Economic Regulation*, 3.) *Economic Assistance and Security*, and 4.) *Manpower and Employment Services*. Each of these **Statewide Programs** are made up of a number of individual program classifications. **Program Categories and Statewide Programs** generally span multiple departments.

The programmatic hierarchy of two State departments, Banking and Insurance and Labor and Workforce Development, is shown on the facing page. Note that the Statewide Program, Economic Regulation, is common to both.





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### 4.B.) Budget Recommendations – Descriptions of Sub-Divisions

Detailed descriptions of the sub-divisions of the *Budget Recommendations Section* are provided below:

- a.) *Department and Branch Recommendations* is the sub-division of the Budget that relates to the appropriations and expenditures that support operations of State agencies, grants and state aid. In addition to appropriation and expenditure data, agency objectives, descriptions of agency programs and programmatic evaluation data are detailed. Federal and non-state funds are also included here.

Each statewide program presentation includes relevant *Evaluation Data*, which provide comparative measurements of agency workload, effectiveness, and/or efficiency. This information shows the impact of the recommended funding level on an agency's activities.

Information is provided on the number of employees and funded positions within each department. The actual number of employees reported may be less than the number of positions allocated to an agency and is dependent upon authorized hiring levels and other factors. Position and Personnel data are summarized to the program classification level, and include information on the current year, two prior years, and a projection for the budget request year.

The *Appropriations Data* component includes detailed funding recommendations from the General Fund and Dedicated Funds by program classification, fund category (Direct State Services, Grants-In-Aid, State Aid and Capital Construction) and object of expenditure. The *General Fund* represents the collection of all State revenues, not otherwise restricted by statute. There are four major funds dedicated by the Constitution for specific purposes. The *Property Tax Relief Fund*, financed by the personal income tax, provides aid to local schools and municipalities as well as the Homestead Rebate Program, which offsets a portion of an individual's property taxes. The *Casino Revenue Fund*, the proceeds of a tax upon casino revenues, funds new or expanded programs for the elderly and the disabled. The *Casino Control Fund* represents the cost of regulating the casino industry, as charged to that industry. And the *Gubernatorial Elections Fund* consists of designated contributions by taxpayers for the public financing of gubernatorial elections. By examining changes in the program classification recommendations vis-à-vis prior year spending levels and other programs, readers will be able to ascertain savings and efficiencies as well as the relative priority that is being placed on specific agency program activities.

Various fund appropriations are broken down into categories based on how the appropriations will be used. *Direct State Services* represent funding to support the administration and direct operations of State programs. Objects of expenditure such as state employee salaries, materials and supplies, (paper, printing etc.), services other than personal (telephones, postage, software, consultant services) maintenance, equipment and special purpose accounts are included in this category. Contracted services, such as the operations of motor vehicle agencies, are also paid out of direct state services.

Grants-In-Aid appropriations represent funding of grants made to individuals and various public and private agencies, for services that are considered the overall responsibility of the State but that are provided by third parties. The largest grant-in-aid program is Medicaid, but others include block grants to senior public colleges and universities, subsidy assistance to NJ Transit, and tuition assistance programs. The State's Homestead Rebate program and the Direct School Tax Relief program are also funded in the Grants-In-Aid component.

State Aid is the recommendation for payments by the State to or on behalf of a local unit of government (county, municipality, or school district) to assist this local government in carrying out its responsibilities. The largest state appropriations are for aid to local schools.

Capital Construction contains the recommendations, by capital project within department, for current (pay-as-you-go) projects, as opposed to those funded by long-term bonds. A capital project includes the acquisition of land, new structures and equipment, and other projects whose estimated cost of land, planning, furnishing and equipping is estimated to be \$50,000 or more. Projects or acquisitions under \$50,000 are appropriated in the maintenance accounts in Direct State Services.

Language Recommendations, the final, significant item of this budget sub-division are included at the end of statewide program or departmental presentations. These language provisions are as significant as the fiscal recommendations because they provide the Department, the Legislature, or the Director of the Division of Budget and Accounting with specific budget and/or spending authority or establish limits on such authority. It is through budget language, that prior year balances are appropriated for current year expenses or lapsed, and that departments are incentivized allowing retention of fine or fee revenue above a specific predetermined amount.

- b.) The *Debt Service* sub-division depicts the amounts necessary to pay principal and interest due on capital projects financed by general obligation bonds of the State. The primary method for financing of capital projects is through the sale of bonds. No debt can be issued by the State without approval by a majority of the legally qualified voters. This section also includes a brief description of the active bond issues financed by current Debt Service appropriations. Historically, New Jersey Debt Service payments average approximately three percent of the total General Fund appropriations.
- c.) The *Language Provisions* sub-division of the Budget establishes authority beyond the specificity of the detailed line-item budgets for both general and federal funds. They apply to broad areas of the budget such as entire funds, appropriations in general and in some cases mandate additional administrative requirements related to the enactment of the budget. Language also authorizes adjustments for reorganizations and corrections to the appropriations act after its enactment.

- d.) *Revolving and Other Funds* is the sub-division of the Budget that depicts programs or agencies not provided with direct appropriations, but rather operate from fees charged for services or commodities provided to other State agencies. Examples include print shops, laundries, and information processing services.
- 5.) The *Appendix* includes Statements of Estimated Revenues, Expenditures and Fund Balances of the State's Special Revenue, Capital Projects and Trust Funds (excluding Pension Trust Funds). The statements include the actual revenues and expenditures for the fiscal year ended June 30, 2002, presented in accordance with generally accepted accounting principles, as well as estimated amounts for fiscal 2003 and fiscal 2004.

Special Revenue Funds (Appendix 1A) are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds (Appendix 1B) are used to account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government for facilities are not classified as Capital Project Funds and are included as expenditures of Special Revenue Funds. Various Capital Projects Funds include funds both for capital facilities for State use and for grants to other units of government.

Trust Funds (Appendix 1C) are used to account for assets held by the State in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Other exhibits in the appendix include a listing of programs eligible for support from the Lottery Fund in addition to other special summaries.

### **BASIS OF BUDGETING**

An annual budget is prepared for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief funds). The Legislature enacts the Budget through passage of specific departmental appropriations, the sum of which may not exceed estimated revenues and the Governor is responsible for the final certification of revenue.

The Governor's budget is prepared in accordance with generally accepted accounting principles (GAAP). Revenues are recognized when susceptible to accrual; that is, when they are both measurable and available to finance expenditures of the fiscal period. Significant revenue sources which are susceptible to accrual include sales tax, individual income taxes, corporate income taxes and federal grants.

Appropriations are recommended at a level sufficient to recognize all accrued expenditures applicable to the fiscal period. Expenditures are recorded on an accrual basis when the related liability is incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

The use of the term "expended" to report the most recent actual year activity in the budget is not in strict accordance with GAAP, in that this amount includes encumbrances which under GAAP are reservations of fund balance, not expenditures.

### **RELATIONSHIP TO THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The Department of the Treasury, OMB, issues the Comprehensive Annual Financial Report (CAFR) which includes all funds. The State's budgetary basis differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, the budgetary basis does not accrue the value of food stamps.

### **BUDGETARY CONTROL**

Budgetary control is maintained at the item of appropriation level. "Item of appropriation" means the spending authority associated with an organization, appropriation source, and program classification, as identified by line-items in the Appropriations Act. Internal transfers within programs are permitted within certain constraints, transfers between program or over designated levels require the approval of the legislature. In cases where appropriations are based on anticipated revenues, spending authority will be reduced by the amount of the deficiency. Other changes to the budget not authorized by specific language provision, must be approved by the legislature in a supplemental appropriation.

### **YEAR END BALANCES**

Appropriations are authorized for expenditures during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at year end, unless otherwise specified by the Appropriations Act. Non-lapsing balances are considered automatically reappropriated as authorized by statute or by the appropriations act.

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## 10. PUBLIC SAFETY AND CRIMINAL JUSTICE 12. LAW ENFORCEMENT

### OBJECTIVES

### PROGRAM CLASSIFICATIONS

1. To prosecute all criminal appeals.

09. **Criminal Justice.** Exercises functions pertaining to enforcement and prosecution of criminal activities in the State.

### EVALUATION DATA

	Actual FY 2002	Actual FY 2003	Revised FY 2004	Budget Estimate FY 2005
<b>PROGRAM DATA</b>				
<b>Criminal Justice</b>				
Complaints, Inquiries, Other Matters (Closed) .....	3,343	5,571	6,000	6,000
<b>PERSONNEL DATA</b>				
<b>Position Data</b>				
State Supported .....	359	368	354	424

### APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recom- mended	
<b>Distribution by Program</b>									
22,507	4,646	712	27,865	27,121	Criminal Justice	09	21,691	28,291	28,291
22,507								1	28,291
690								5	625
447								7	477
2,321								1	4,631
2,321								1	4,631
17,559								1	23,691
								0	1,000
								0	1,000
4,948								0	3,600
4,948								0	3,600
<u>1,000</u>	<u>---</u>	<u>---</u>	<u>1,000</u>	<u>1,000</u>	<i>Total Capital Construction</i>		<u>---</u>	<u>---</u>	<u>---</u>
23,507	4,646	712	28,865	28,121	<b>TOTAL STATE APPROPRIATIONS</b>		---	---	---
<b>Federal Funds</b>									
59,655	14,486	-151	73,990	31,803	Criminal Justice	09	42,574	33,350	33,350
59,655	14,486	-151	73,990	31,803	<i>Total Federal Funds</i>		42,574	33,350	33,350
<b>All Other Funds</b>									
	1,136				Criminal Justice	09	34,850	34,760	34,760
	16,125 <sup>R</sup>	1,975	19,236	8,583	<i>Total All Other Funds</i>		34,850	34,760	34,760
	17,261	1,975	19,236	8,583					
83,162	36,393	2,536	127,091	68,507	<b>GRAND TOTAL</b>		99,115	96,401	96,401

**Reading the Budget Tables**

The Appropriation summaries and individual agency Budgets included in the New Jersey Budget document generally follow a consistent format, an annotated version of which is shown on the following pages.

#### Notes — Direct State Services – General Fund

(a) The fiscal 2004 appropriation has been adjusted for the allocation of salary program.

#### Language Recommendations — Direct State Services – General Fund

The unexpended balance as of June 30, 2004 in the Victim Witness Advocacy Fund account, together with receipts derived.

*A statement of specific, measurable accomplishments related to the need, problem or opportunity the program is designed to address*

*Program Classification Account code.*

*Evaluation Data provides measurements of workload effectiveness and efficiency.*

*The Original and Supplemental column represents the original appropriation for fiscal year 2003 as enacted by the Legislature on July 1, 2002. This column also includes the total of all supplemental appropriations which were enacted by the Legislature and signed into law by the Governor during fiscal year 2003.*

*Reappropriations and Receipts column contains two separate items: Reappropriations, which represent funds that remained unexpended from a prior fiscal year and were made available for spending purposes in the budget year. Reappropriations are usually restricted to certain programs or accounts with multi-year obligations, such as Capital Accounts, where rehabilitation or construction projects typically take several years. Receipts represent dedicated taxes or fees which are credited to a specific account or agency. An example of receipts are funds collected for Hunters and Anglers' programs from license fees Receipts are indicated by a superscript "R".*

*Transfers and Emergencies are either Transfers, which represents monies which were either transferred between departments and agencies or between fund categories, or Emergencies, which represent an allocation of funds to an agency from the State Emergency Fund to meet unanticipated spending requirements. In the tables within the Budget Recommendation section, emergency transfers are indicated by a superscript "E".*

*Total Available is the total of the original and supplemental appropriations plus any reappropriations and receipts plus or minus transfers and emergency funds.*

*The Expended Amount represents total disbursements and obligations made in fiscal year 2003.*

**10. PUBLIC SAFETY AND CRIMINAL JUSTICE**  
**12. LAW ENFORCEMENT**

**OBJECTIVES**

**PROGRAM CLASSIFICATIONS**

1. To provide statewide law enforcement services.

**09. Criminal Justice.** Exercises functions pertaining to enforcement and prosecution of criminal activities in the State.

**EVALUATION DATA**

PROGRAM DATA	Actual FY 2002	Actual FY 2003	Revised FY 2004	Budget Estimate FY 2005
<b>Criminal Justice</b>				
Complaints, Inquiries, Other Matters (Closed) .....	6,027	6,689	7,000	7,000
<b>PERSONNEL DATA</b>				
<b>Position Data</b>				
State Supported .....	3,158	3,236	3,216	3,387

**APPROPRIATIONS DATA**  
(thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended
17,559	4,646	682	22,887	22,143				
<b>17,559</b>	<b>4,646</b>	<b>682</b>	<b>22,887</b>	<b>22,143</b>				
152,359	5,514 <sup>R</sup>	3,315	161,188	144,517				
<b>152,359</b>	<b>5,514</b>	<b>3,315</b>	<b>161,188</b>	<b>144,517</b>				
—	—	—	—	—				
—	—	—	—	—				
4,948	—	30	4,978	4,978				
<b>4,948</b>	<b>—</b>	<b>30</b>	<b>4,978</b>	<b>4,978</b>				
4,948	—	30	4,978	4,978				
1,053	1,177	(14)	2,216	665				
<b>1,053</b>	<b>1,177</b>	<b>(14)</b>	<b>2,516</b>	<b>665</b>				
1,053	1,177	(14)	2,516	665				
<b>218,368</b>	<b>21,359</b>	<b>3,992</b>	<b>243,719</b>	<b>236,439</b>				
59,655	14,486	(151)	73,990	31,803				
<b>59,655</b>	<b>14,486</b>	<b>(151)</b>	<b>73,990</b>	<b>31,803</b>				
—	1,136	1,975	19,236	8,583				
—	16,125 <sup>R</sup>	1,975	19,236	8,583				
—	<b>17,261</b>	<b>1,975</b>	<b>19,236</b>	<b>8,583</b>				
<b>295,785</b>	<b>108,360</b>	<b>21,821</b>	<b>425,966</b>	<b>347,051</b>				

**Notes — Direct State Services — General Fund**

(a) The fiscal year 2004 appropriation has been adjusted for the allocation of salary program.

**Language Recommendations — Direct State Services — General Fund**

The unexpended balance as of June 30, 2004 in the Victim Witness Advocacy Fund account, together with receipts derived.

*Program Category—The broadest grouping of programs presented in the Budget document.*

*Statewide Program—A high level, functional grouping of related programs.*

*Program Classes—low level, operating program functions grouped together under statewide programs. It is the level at which Appropriations are made.*

*Adjusted Appropriation represents the current fiscal year appropriation, adjusted to include any distributions made from central, interdepartmental accounts to cover employee cost of living adjustments, etc., as well as any supplemental appropriations which were enacted prior to the printing of the Budget or anticipated through year end.*

*The Requested column represents the amount requested by the various Executive departments, and agencies and other branches of government.*

*The Recommended Budget column represents the Governor's proposal to the Legislature.*

*Other Related Appropriations, also called below-the-line appropriations, are summarized in the Direct State Services presentation in order to provide an overview of agency budgets encompassing all spending categories and funding sources.*

*Appropriation Language is as important as the fiscal recommendations. It sets limits and conditions on the use of appropriations.*

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## GLOSSARY

This glossary contains definitions of terms used in this budget, or in State budgeting and accounting procedures. It is not intended to be an exhaustive dictionary of accounting and budgeting terms, but does define the most commonly used terminology.

**ACT**— A bill passed by the legislature and signed into law by the Governor.

**ADDITIONS, IMPROVEMENTS AND EQUIPMENT**— Additions and improvements which are less than \$50,000 in cost and the purchase of equipment such as vehicles, office equipment and information processing equipment. Any addition and improvement that is \$50,000 or more or is for a new structure is classified as Capital Construction.

**ADJUSTED APPROPRIATION**— The total of an original appropriation, all supplemental appropriations, certain allotments from Inter-departmental appropriations, and other budgetary adjustments.

**ALL OTHER FUNDS**— Revenues, other than Federal, which are not anticipated as resources to support the annual State budget. Upon receipt, these funds become appropriated, as provided by the language of the Appropriations Act.

**ALLOTMENT**— An allocation of a portion of an appropriation to make it available for encumbrance or disbursement by the agency to which appropriated, and usually applying to a period of time; e.g., a calendar quarter. In the instance of Inter-departmental appropriations, allotments made to the various agencies simultaneously transfer appropriations and make them available for encumbrance or disbursement by the agency.

**ANTICIPATED RESOURCES**— For each fiscal year, is the sum of the estimated surplus at the end of the prior fiscal year, together with all estimated revenues for the General Fund from all sources, including taxes and license fees, other miscellaneous departmental Federal aid and revenues of trust funds which are not within the General Treasury.

**ANTICIPATED REVENUE**— That portion of estimated revenues to be realized in any fiscal year which have been anticipated as General Fund resources to support the appropriations made, or undesignated fund balance projected, in the annual Appropriations Act. Such revenues are not available for expenditure unless appropriated by the Legislature.

**APPROPRIATED REVENUE**— Those revenues not previously anticipated or budgeted, which upon receipt increase appropriation balances as authorized in the Appropriations Act, and from which agencies may incur obligations or make expenditures for specific purposes.

**APPROPRIATION**— The sum of money authorized by an act of the Legislature for expenditure during a particular fiscal year.

**APPROPRIATION ACT**— The Act passed by the New Jersey Legislature to appropriate, on an annual basis, the resources of the State for operating grants-in-aid, state aid, capital, and debt service expenses.

**ATTRITION**— A means of reducing the number of employees by not refilling positions vacated through resignation, reassignment, transfer, retirement or means other than layoffs.

**BEGINNING BALANCE**— The amount of funds available at the start of a state fiscal year that is left over from the previous year.

**BILL**— A proposed law.

**BLOCK GRANT**— An amount allotted by the Federal government to the State to be allocated to a particular program area within general guidelines as the State determines.

**BOND**— A funding tool representing a written promise to pay a

specific sum of money in the future plus interest. In New Jersey, bonds are used to finance capital improvements.

**BOND FUND**— A fund into which are received the proceeds from the issuance of bonds, and from which are paid all proper expenditures for the purposes for which the bonds were authorized.

**BUDGET**— The proposed financial plan of the State government for the fiscal year, setting forth the anticipated resources from all sources and proposed appropriations.

**BUDGET CYCLE**— The four major phases which constitute the traditional budget cycle: (1) central and agency planning, (2) agency/executive preparation, (3) legislative review, and (4) execution and evaluation.

**BUDGETED POSITION**— A position specifically approved and funded by a State appropriation in a salary object account.

**BUDGET REQUEST**— The request, required by law, of each spending agency for an appropriation or permission to spend during the next ensuing fiscal year.

**CAPITAL CONSTRUCTION**— This category includes funds budgeted for:

1. Acquisition of or option to buy land and right-of-way and existing improvements therein, regardless of cost.
2. New buildings and structures not attached to or directly related to any existing structures, regardless of cost.
3. Projects whose estimated cost including land, planning, furnishing and equipping, is usually \$50,000 or more regardless of the construction involved with a useful life of at least ten years.

**CAPITAL PROJECT FUNDS**— Account for financial resources for the acquisition or construction of major capital facilities.

**CASINO CONTROL FUND**— Accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

**CASINO REVENUE FUND**— Accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons. Appropriations from this fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior and disabled citizens.

**CATEGORICAL GRANT**— An amount allotted by the Federal government to the State to be allocated to a particular program area for a specific purpose or mandate of the Federal government.

**CERTIFICATES OF PARTICIPATION**— Certificates which are sold to investors to raise cash to purchase equipment through a master lease-purchase agreement. The principal and interest on the certificates are paid from appropriations made to agencies which obtained equipment through the master lease-purchase program. (See also MASTER LEASE PROGRAM.)

**CHART OF ACCOUNTS**— A systematic structure for appropriating and recording accounting information pertaining to the financial activities of the State.

**CONTINGENCY APPROPRIATION**— An appropriation to provide for unforeseen expenditures or for anticipated expenditures of uncertain amounts.

**CONTROL ACCOUNT**— Denotes an account established for the purpose of receiving and holding unallocated appropriations or appropriated receipts pending transfer to operating, or expenditure accounts.

GLOSSARY

**DEBT SERVICE**— One of the major subdivisions of the State budget, this category provides the resources to finance payment of general long-term debt principal and interest, such as bond issues or other long-term financing.

**DEDICATED FUND**— A fund normally contained in the General Fund, consisting of resources owned by the State, the use of which is constrained, either by statutory specification, dedication or other restriction, or a particular purpose or program. Receipts from a specific revenue source may be dedicated by the annual Appropriations Act or other legislation, to be used for some specific purpose.

**DIRECT STATE SERVICES**— One of the major subdivisions of the State budget, this category includes all general operating costs of State government, including programs which provide services directly to the public.

**DISBURSEMENT**— Payment of money out of any public fund or treasury. (See also EXPENDITURE.)

**EMERGENCY FUND**— A sum appropriated, within the Contingency Appropriation, for allotment to agencies to meet emergency conditions.

**EMERGENCY TRANSFER**— The allocation of funds to an agency from the Emergency Fund to meet unanticipated expenditures.

**ENCUMBRANCE**— A reservation of funds for future payment (disbursement) to liquidate an obligation incurred, usually by the issuance of a purchase order or the execution of a contract calling for payment in the future.

**ENDING BALANCE**— The amount of funds remaining in an account at the end of the fiscal year.

**EVALUATION DATA**— The quantitative expression of the end products produced or other elements involved in the work of an organization.

**EXCESS RECEIPTS**— Any receipts by an agency in excess of anticipated resources in the annual Appropriations Act. Such excess receipts may either be appropriated for the agency's use by the annual Appropriations Act, or may be considered as an overrun of anticipations and, therefore, credited to the General Fund undesignated fund balance.

**EXPENDITURE**— Denotes charges incurred, whether paid or unpaid, thus including both disbursements and liabilities. (See also DISBURSEMENT and ENCUMBRANCE.)

**EXPENDITURE ACCOUNT**— An account in which expenditure transactions are recorded, normally termed an object account; as opposed to a control account in which expenditures may not be recorded.

**FISCAL YEAR**— A twelve-month period of time to which the annual budget applies and at the end of which the State determines its financial position and the results of its operations. New Jersey State government has a July 1 to June 30 fiscal year.

**FRINGE BENEFITS**— Payments made by the State for retirement, social security, health and dental insurance contributions, workers' compensation, unemployment, survivors' and disability insurance.

**FUND**— A fiscal and accounting entity established for the purpose of achieving specified objectives or carrying on certain activities.

**FUND BALANCE—DESIGNATED**— Unexpended and unencumbered appropriations which are authorized to continue into the subsequent fiscal year. (See also REAPPROPRIATION.)

**FUND BALANCE—UNDESIGNATED**— Fund equity unrestricted and available for appropriation.

**GAAP**— Generally Accepted Accounting Principles—The rules and procedures necessary to define uniform account and financial reporting standards, including broad guidelines and detailed practices. The Governmental Accounting Standards Board (GASB) promulgates accounting principles for state and local governments.

**GENERAL FUND**— The funds into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State are accounted for in the General Fund. Revenues received from taxes, most Federal revenue and certain miscellaneous revenue items are recorded in the General Fund. The Appropriation Acts enacted by the Legislature provide the basic framework for the operation of the General Fund.

**GENERAL TREASURY**— Consists of all funds over which the State Treasurer is custodian and/or funds of which the State of New Jersey is the owner or beneficial owner.

**GRANTS IN AID**— One of the major subdivisions of the State budget, this category includes all payments not otherwise defined as State Aid, made to individuals, public agencies or private agencies for benefits or services of three types: benefits to which the recipient is entitled by law or regulation; provision of services for which the State has primary responsibility; and subsidies and provision of services for which the State has no responsibility, but which it elects to provide.

**ITEM OF APPROPRIATION** — Means the spending authority identified by an organization code, appropriation source, and program code, unique to the item, and may include a number of object accounts within a program or specific appropriations made to Special Purpose, Grants-In-Aid, State Aid, or Capital Construction line item.

**INTER-DEPARTMENTAL ACCOUNTS**— A group of accounts to which are appropriated funds for payment for or on behalf of all State agencies of rent, employee benefits, and contingency funds for certain specified purposes.

**INTERFUND TRANSFER**— An amount transferred from one fund to another, normally authorized by the annual Appropriations Act.

**LANGUAGE RECOMMENDATIONS** - Language located at the end of a statewide program or department, which provides specific spending or budget authority and/or places limitations on such authority.

**LAPSE**— The automatic termination of an appropriation. Appropriations are made for a single fiscal year. At the end of this period, any unexpected or unencumbered balances revert (lapse) to undesignated fund balance in the General Fund, or to the fund from which originally appropriated, unless specifically appropriated again in the succeeding fiscal year.

**LIABILITY**— Debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

**LINE ITEM**— Any single line account for which an appropriation is provided in an Appropriations Act. Includes appropriations made to specific object accounts such as Materials and Supplies or any Special Purpose, Grants-In-Aid, State Aid or Capital Construction account.

**MAINTENANCE AND FIXED CHARGES**— Constitute the routine repair and maintenance of buildings, property and equipment required to keep them in operation and prevent deterioration.

**MASTER LEASE PROGRAM**— A program of financing selected equipment including computers, vehicles and furniture purchases, over multiple years through the issuance of Certificates of Participation. The State of New Jersey, as lessee, is obligated to make payments equal to principal and interest of the certificates. (See also CERTIFICATES OF PARTICIPATION.)



## GLOSSARY

**MATCHING FUNDS**— A type of grant that requires the government or agency receiving the grant to commit a certain amount of funding to a program before funding is made available by the granting authority.

**MATERIALS AND SUPPLIES**— Materials and supplies are defined as tangible consumable items used for operations not for the maintenance of machinery or equipment.

**NON-BUDGETED POSITION**— A position, established on a temporary basis, for a limited period of time, using funds available from a Special Purpose appropriation, from balances available from unfilled budgeted positions, or from funds provided as a lump sum amount in a salary appropriation.

**NON-STATE FUND (ACCOUNT)**— Any fund (or account within a fund) within the General Treasury, the proceeds of which arise from a source other than the General Fund, typically from Federal or foundation grants, pooled inter-governmental funds, or service charges. (See also **REVOLVING FUND**.)

**OBJECT ACCOUNT**— This term applies to account classification to identify funds for articles purchased or services obtained (as distinguished from the results obtained from expenditures).

**OBJECT CATEGORY**— A group of objects of similar character categorized for classification purposes. Examples are personal services, materials and supplies, services other than personal, and maintenance and fixed charges.

**OBJECTIVE**— A statement of specific, intended, measurable accomplishments related directly to the need, problem or opportunity the services to the client are designed to address.

**OBLIGATION**— An amount which the State may be required legally to meet out of its resources. It includes not only an actual liability, but also an unliquidated encumbrance, established by the issuance of a purchase order, the execution of a contract calling for payment at some future date, or a liability established in any other lawful way for future payment of a specified amount of money. An obligation normally results in an encumbrance in an appropriation account.

**ORGANIZATION**— Any State government entity which is established by statute, executive order or departmental order, to carry out one or more programs, for which a separate appropriation is made.

**ORIGINAL APPROPRIATION**— An appropriation made in the annual Appropriations Act.

**PERSONAL SERVICES**— An appropriation supporting State employee salaries and wages and other employee benefits.

**PROGRAM**— A group of related activities directed toward the accomplishment of an identifiable objective; it is established by statute, executive order or departmental order; it is distinguishable by its clientele, organization, subject matter or process.

**PROGRAM CLASSIFICATION**— An operating program function, consisting of closely related activities with an identifiable objective or goal, which is treated as an identifiable appropriation item.

**PROPERTY TAX RELIEF FUND**— Accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulae established by the Legislature, to counties, municipalities, and school districts.

**RAINY DAY FUND**— A reserve into which certain revenues are deposited when the amount collected exceeds the amount anticipated. The balance in this fund may be appropriated upon certification by the

Governor that anticipated revenues are less than those certified or to meet emergencies.

**REAPPROPRIATION**— The appropriation in any fiscal year of funds remaining unexpended at the end of the preceding fiscal year. (See also **FUND BALANCE—DESIGNATED**.)

**RECEIPTS**— A general term for cash received which may either satisfy a receivable, be a conversion of another asset or a refund of a prior expenditure; it may also represent revenues earned or realized.

**RECEIVABLE**— An anticipated sum of money which is treated as revenue because it has been earned and is due. Such sums are available for expenditure by State agencies when properly authorized.

**REFERENCE KEY (REF. KEY)**— A columnar heading in the appropriation data section of each program budget which identifies to which program classification a particular account relates.

**REQUEST YEAR**— The fiscal year for which a budget request is made.

**REVENUE ACCOUNT**— An account established for the purpose of recording the receipt of revenues from a specific source.

**REVENUES**— Funds received from taxes, fees or other sources that are treated as income to the state and are used to finance expenditures.

**REVOLVING FUND (ACCOUNT)**— A fund (or an account within any fund) established to finance (1) State activities of a business or commercial nature or (2) the operation of an intragovernmental service agency or enterprise, which generates receipts (income) from the sale of commodities or services. Such receipts are available for the continuing operation of the activity or enterprise.

**SERVICES OTHER THAN PERSONAL**— Charges to this series of accounts represent the cost of purchased services which are primarily non-personal or of a contract nature under which no employer-employee relationship is established.

**SPECIAL PURPOSE APPROPRIATION**— A type of appropriation which includes monies for personal services, non personal services, maintenance, etc. but which is appropriated as a single amount and which does not specify amounts for individual objects of expenditure.

**SPECIAL REVENUE FUNDS**— These funds are used to account for resources legally restricted to expenditure for specified current operating purposes.

**SPENDING AGENCY**— Any department, board, commission, officer or other State agency to or for which an appropriation is made.

**STATE AID**— One of the major subdivisions of the State budget; this category shall mean:

1. Monies paid by the State to a local government or to a nongovernmental agency for:
  - a. Assistance distributed to local governments according to a formula.
  - b. Assistance provided to aid local governments according to carry out activities which are the responsibility of the local unit.
  - c. Grants-in-Aid to non-governmental agencies for functions carried out on behalf of a local unit of government.
  - d. Payments specifically designated by law as State Aid.
2. Expenses incurred by a State department or agency on behalf of a local unit of government. Such expenditures may include:
  - a. Monies budgeted by the State to make payments on behalf of local government.
  - b. Administrative costs of State Aid programs.
  - c. Costs of State personnel engaged in services normally provided and paid for by a local government.

**GLOSSARY**

**STATE APPROPRIATIONS LIMITATION ACT**— The Act which limits the growth of the Direct State Services subdivision of the State budget based upon the average annual percentage increase in per capita income over the four fiscal years prior to the base year.

**STATE TREASURY**— A term used generally to refer to all funds (monies) deposited to the credit of the State of New Jersey. It includes the General Fund and funds from all other sources.

**STATEWIDE PROGRAM**— A functional grouping of related program classifications which contribute to satisfaction of some broader objective or objectives. Each Statewide program is presented as a separate component of the total budget of a department or agency.

**STATUTE**— A written law enacted by a duly organized and constituted legislative body.

**STRATEGIC PLANNING**— The process of making present decisions on the allocation of people, assets and priorities to reach an agreed upon objective, after consideration of needs and constraints.

**SUPPLEMENTAL APPROPRIATION**— An appropriation made in addition to (or supplemental to) the annual Appropriations Act.

**SURPLUS**— Revenue exceeding expenditures over a given period of time. Also see FUND BALANCE.

**TRANSFER (OF APPROPRIATION)**— A transaction which reallocates all or part of any item in an appropriation to another item in that appropriation.

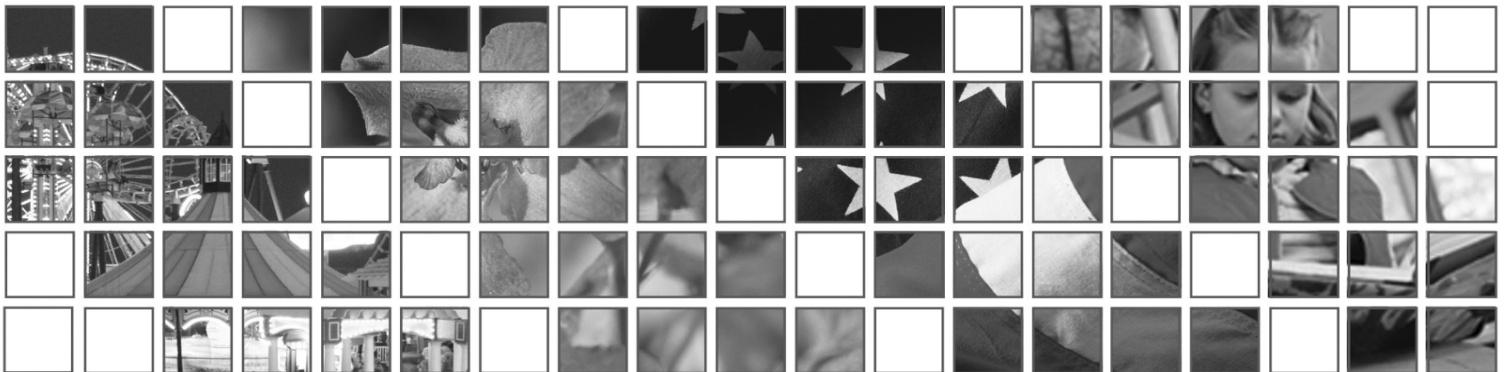
**TRUST AND AGENCY FUNDS**— These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**UNEXPENDED BALANCE**— The remaining appropriation balance in an account after charging all disbursements and encumbrances.

**VETO**— An official action by the governor to nullify legislative action.

# Summaries of Appropriations

This section includes a selection of tables and charts which summarize the Governor's Budget recommendations, and highlight significant changes and policy initiatives.



# SUMMARIES OF APPROPRIATIONS

## THE BUDGET IN BRIEF

### GENERAL FUND

#### Resources

(\$ In Thousands)

Undesignated fund balance, July 1, 2004 .....	400,000	
Revenues anticipated and adjustments .....	17,865,378	
		18,265,378

#### Recommendations

Direct State Services .....	5,612,357	
Grants-in-Aid .....	7,115,799	
State Aid .....	3,561,368	
Capital Construction .....	1,131,349	
Debt Service .....	444,505	
		17,865,378

Undesignated fund balance, June 30, 2005 .....		400,000
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### SURPLUS REVENUE FUND

#### Resources

Undesignated fund balance, July 1, 2004 .....		—
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#### Recommendations

Transfer from or to General Fund .....		—
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Undesignated fund balance, June 30, 2005 .....		—
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### PROPERTY TAX RELIEF FUND

#### Resources

Undesignated fund balance, July 1, 2004 .....	—	
Revenues anticipated from Gross Income Tax .....	7,843,000	
		7,843,000

#### Recommendations

Grants-in-Aid .....	865,311	
State Aid .....	6,977,689	
		7,843,000

Undesignated fund balance, June 30, 2005 .....		—
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### GUBERNATORIAL ELECTIONS FUND

#### Resources

Undesignated fund balance, July 1, 2004 .....	2,206	
Revenues anticipated and adjustments .....	6,664	
		8,870

#### Recommendations

Public Financing of Elections .....		8,870
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Undesignated fund balance, June 30, 2005 .....		—
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### CASINO CONTROL FUND

#### Resources

Undesignated fund balance, July 1, 2004 .....	—	
Revenues anticipated .....	63,700	
		63,700

#### Recommendations

Regulation of Casino Gambling .....		63,700
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Undesignated fund balance, June 30, 2005 .....		—
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### CASINO REVENUE FUND

#### Resources

Undesignated fund balance, July 1, 2004 .....	—	
Revenues anticipated .....	478,880	
		478,880

#### Recommendations

Programs for senior citizens and handicapped persons .....		478,880
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Undesignated fund balance, June 30, 2005 .....		—
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# NOTES

## BUDGET HIGHLIGHTS

Following two of the most challenging years in New Jersey history, Governor James E. McGreevey proposes a \$26.3 billion Fiscal 2005 Budget for New Jersey that shows how sacrifices and tough budgetary decisions can pay rewards in the form of more fiscal resources for the priorities of education, children, property tax relief, health and public safety.

Since rising to an all-time high of \$7.9 billion in fiscal 2001, New Jersey's top revenue source – the Gross Income Tax – fell in actual collections in both fiscal 2002 and fiscal 2003. That revenue slide ended in fiscal 2004, and all major taxes rebounded to exceed projections for the fiscal year. The reversal signals that the State is once again recording strong, sustained growth from an improving economy.

The McGreevey Administration's Budget for fiscal 2005 balances the dividends from a new and improved fiscal picture with a measured approach to funding priorities and a vigilant watch over spending on the operations of State government.

As in the previous two fiscal years, the Budget process was guided first and foremost by a line-by-line, department-by-department scrutiny of operational spending and program priorities. As a result, the budget for the vast majority of operating departments was reduced for the third consecutive fiscal year. Small increases were provided for the Department of Human Services (\$92 million, mostly for the Division of Youth and Family Services), the Department of Corrections (\$22.8 million), the Department of Health and Senior Services (\$9.3 million) and the Department of Military and Veterans Affairs (\$2.4 million).

Fully 72% of the total State Budget, or \$19 billion, is recommended as State Aid or Grants-In-Aid, reflecting the Governor's commitment to assisting school districts and municipalities and in providing direct property tax relief to New Jersey residents.

With continued emphasis on belt tightening in spending on the State bureaucracy, and fiscal pressure relief provided by improving revenues, the Administration's Budget for fiscal 2005 will help build a better New Jersey by providing:

- \$445 million in additional aid to school districts, including \$190 million in formula and supplemental assistance and \$45 million

for increased school construction debt service costs;

- \$32 million increase in municipal aid programs for local property tax relief;
- Preservation of the direct property tax relief programs, providing NJ SAVER checks averaging \$250 and Homestead Rebate checks up to \$775; and \$25 million in additional funding to restore the benefits not provided in the Fiscal 2004 Budget for approximately 80,000 recipients of Property Tax Reimbursement checks as well as new PTR "Senior Freeze" applicants who did not receive program benefits last year;
- Continued support for Governor McGreevey's high priority programs such as Cancer Research, Early Childhood Education, Literacy and Homeland Security.

The groundwork for the Fiscal 2005 Budget was laid by difficult decisions and sacrifices over the two previous years on both the revenue and appropriations sides of the budget. When combined with improving revenues from a stronger economy, the McGreevey Administration has built a more stable and reliable base budget on which to fund New Jersey's priorities. The Administration has invested further in this fiscal stability, by establishing a budget surplus of \$400 million for fiscal 2005, up significantly from a surplus of \$100 million in its first budget in fiscal 2003.

### Fiscal 2004 – Managing the Current Budget

Within 13 days of taking office in fiscal 2002, this Administration announced a \$2.9 billion shortfall (\$2.4 billion in reduced revenues and \$500 million in increased spending) and proceeded to close that gap in the remaining five months of the fiscal year. Upon receiving final tax revenues in May, 2002, the shortfall increased by \$628 million and additional emergency steps were taken to close that new gap.

In fiscal 2003, a shortfall in revenues occurred during the year again due to lower than anticipated tax revenues and emergent actions were taken to handle the reduction.

In a break from the past, revenue growth in fiscal 2004 has been stronger than anticipated, triggered both by a rebounding economy and the Governor's key economic development initiatives such as aggressive school construction, increased road construction, improved brownfield redevelopment initiatives, reform of business incentive grants, and

## SUMMARIES OF APPROPRIATIONS

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targeted investments in all parts of the state, including the Meadowlands and Camden. As a result, the Fiscal 2004 Budget will accommodate an estimated \$539 million in supplemental appropriations without the need for mid-year spending constraints or hiring freezes which disrupt operational planning and service delivery.

This stands in marked contrast to the experience of several other states. As noted in a February report published by the National Conference of State Legislatures, 18 states are projecting current year deficits totaling \$2.5 billion. The situation is certainly not as dire as in February of 2003, when 36 states projected current year deficits totaling nearly \$26 billion, however it is clearly a positive for New Jersey to be counted among those who have managed to restore fiscal stability in the intervening months.

Some of the larger supplemental appropriations projected for fiscal 2004 are summarized below. Of the total of \$539 million, \$246 million or more than 45% relate to shortfalls in federal funding or uncertainty over federal approvals for certain waivers requested by the State:

- \$138 million – State’s Pharmacy Plus Waiver, which involves the Pharmaceutical Assistance for the Aged and Disabled program is likely not to be approved by the federal government;
- \$89 million - Supplemental Aid to Abbott school districts mandated by court decisions and based on final awards;
- \$51 million – The Nursing Home Provider Tax Assessment may not be approved by the federal government;
- \$32 million – Lower than expected federal funding for nursing homes from the Intergovernmental Transfer program and the Medicaid match on federal stimulus aid;
- \$25 million – Children’s Behavioral Health Services supplemental due to shortfall in available federal balances;
- \$20 million – Snow removal;
- \$15 million – Child Welfare Reform, which presumes enactment of a legislative supplemental for the Division of Youth and Family Services to satisfy the settlement of a civil rights class action lawsuit.

### Fiscal 2005 Budget

Governor McGreevey’s proposed Fiscal 2005 Budget of \$26.3 billion represents an increase of \$1.7 billion above the adjusted appropriation of \$24.5 billion. This increase is composed of three categories:

- \$600 million is attributable to the General Fund’s assumption of costs that were “off budget” in fiscal 2004;
- \$900 million is due to mandated or uncontrollable costs such as Medicaid (\$122 million), employee benefits and salary increases (\$308 million), and post-retirement medical benefits (\$153 million) for State, college and local employees, Abbott school aid (\$140 million), debt service (unrelated to the Transportation Trust Fund, \$57 million) and other mandated costs;
- \$200 million (net) in discretionary spending increases for areas such as Child Welfare Reform (\$125 million), school aid to non-Abbott districts (\$105 million), and a variety of other programs.

Some of the major spending increases in the proposed budget include:

- \$205 million increase in direct aid to all school districts;
- \$113 million increase for higher education, including \$10 million for a new tuition assistance program for community colleges entitled NJ STARS and a \$20 million increase for Tuition Aid Grant (TAG) programs;
- \$125 million increase for Child Welfare Reform;
- \$85 million increase for New Jersey Transit to avoid any fare increase;
- \$25 million increase to fund the Senior Property Tax Freeze, ensuring that 130,000 eligible seniors will receive benefit from this program;
- \$24.4 million increase to programs that support the developmentally disabled;
- \$21 million increase to provide a 1% COLA to community provider organizations;
- \$20 million increase for enhancement to the 911 systems;

## SUMMARIES OF APPROPRIATIONS

- \$18 million increase in various health care programs;
- \$15 million for the first year of the NJ After 3 program that will provide structured after-school care for 20,000 children in the 2004-2005 school year;
- \$15 million for the first year of the Early Launch to Learning Initiative (ELLI) that will provide increased access to high quality preschool for four year-olds in non-Abbott school districts;
- \$15 million increase in Charity Care payments to hospitals;
- \$11.2 million increase in support of the arts, history and tourism from the hotel/motel revenue dedication;
- \$6.6 million increase in community alternatives to prison and drug court programs;
- \$5.9 million increase for State Police vehicles and the training of 200 more State troopers;
- \$4 million increase in capital funds for State parks;
- \$3.3 million increase for operating support and capital funding for veterans' homes and;
- \$2.7 million increase in cancer screening programs.
- \$135 million from a 45 cent increase in the cigarette tax, from the current \$2.05 to \$2.50 per pack;
- \$115 million from a new funding package related to Charity Care. The new proposal includes an assessment on ambulatory medical facilities (\$31 million) and adds a new \$5 charge on hospital outpatient visits (\$34 million). It also raises the existing hospital assessment from .53% of annual revenues to .70% (\$50 million); however, funding to hospitals will actually increase due to increases in recommended State funding and matching federal funds;
- \$90 million from the pre-payment of four years worth of registration fees on new car purchases, the same as the inspection period for new cars, with leased vehicles paying in accordance with the term of the particular lease;
- \$70 million from an increase in the Realty Transfer Tax based on a three-tiered structure tied to the sale price of eligible or deeded sales, including residential and commercial property (no home valued at below \$150,000 would be affected);
- \$54 million by maintaining the Transitional Energy Facilities Assessment at its current level through fiscal 2005;
- \$50 million from a new surcharge on unsafe driving and an increase in the existing surcharge for accumulating at least six points from motor vehicle violations;
- \$33 million from a tax on wireless telephone towers to provide enhanced 911 service as well as security and counter-terrorism investments;
- \$25 million from a tax enforcement package, including upfront withholding on the sale of real estate by non-residents and on the activities of out-of-state contractors operating in New Jersey;
- \$24 million from an assessment of 1% on home sales valued in excess of \$1 million, paid by the purchaser.

On the revenue side, the \$26.3 billion budget is supported by base revenues totaling \$23.7 billion and revenue enhancements of \$2.6 billion. The most prominent revenue enhancements are summarized below:

- \$1.52 billion from the securitization of motor vehicles surcharges and new revenue from a 45 cent increase in the cigarette tax;
- \$275 million from extending the suspension of the Corporation Business Tax – Net Operating Loss (NOL) provision for an additional two-year period, from January, 2004 to December, 2005;
- \$199 million package of surcharges on pollution-related sources, including a new Petro-Chemical Environmental Impact Fee that will raise \$150 million, as well as an increase in the Spill Compensation Fund (\$20 million) and surcharges on the sale of new tires (\$12 million), disposal of hazardous waste at New Jersey facilities (\$11 million) and on air toxic emissions (\$6 million), the latter of which are suspected carcinogens;
- \$110 million from the State Disability Benefits (TDI) Fund;

In addition, \$253.5 million in trust fund balances are recommended for transfer to the General Fund. Key initiatives include:



## SUMMARIES OF APPROPRIATIONS

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- \$100 million from the Unemployment Insurance Fund to offset the cost of Charity Care and Medicaid;
- \$35.5 million from the Workforce Development Fund to provide ongoing job training services to welfare clients;
- \$8 million from the Supplemental Workforce Fund for Basic Skills to support remedial courses at the State's county colleges.

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

### Fiscal 2005 Budget Compared to Fiscal 2004 Budget

When viewed by category of funding, the recommended Fiscal 2005 Budget is allocated as follows:

- \$19 billion (72.3%) is either State Aid (\$10.6 billion, 40.2%) or Grants (\$8.4 billion, 32.1%);
- Direct State Services (DSS) totals \$5.7 billion (21.6%). When adjusted for the increase provided to the Division of Youth and Family Services (DYFS) to improve child protection services, the DSS recommendation for Executive Branch departments (i.e., without Interdepartmental, Judiciary, and the Legislature) declines by approximately \$31 million or about 1%;
- State Aid increases by \$505 million (5%);
- Grants increase by \$907 million (12%);
- General obligation debt service increases by \$3 million.

(See the Summary of Major Increases and Decreases in the *Financial Summaries* section for a full listing of the recommendations in the Fiscal 2005 Budget.)

## GOVERNOR MCGREEVEY'S PRIORITIES

### Education

#### The Preschool Advantage

Recognizing the significance of recent research that has established the importance of a quality education during a child's early years, Governor McGreevey has made a firm commitment to expand and enhance preschool for New Jersey's children. The National

Institute for Early Education Research recently ranked New Jersey first in the nation in preschool quality and funding. The Administration's approach to early childhood education is comprehensive, involving both the Departments of Education and Human Services. It integrates educational, social, and family programs to promote the academic and social development needed for kindergarten, higher grades, and beyond.

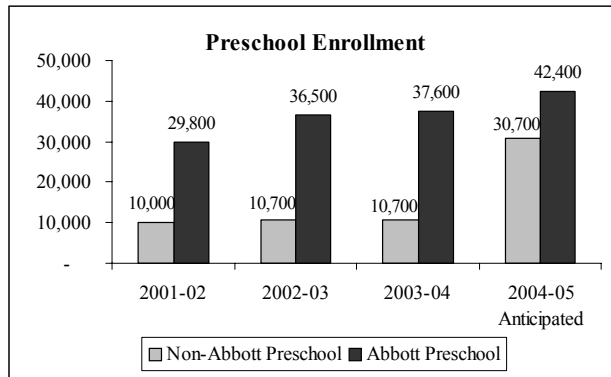
The Department of Education expects preschool enrollment in the Abbott districts to grow to over 42,000 for the 2004-2005 school years, an increase of more than 42% since Governor McGreevey assumed office two years ago. If these enrollment levels are achieved, approximately 77% of all 3 and 4 year-olds in the Abbott districts will be enrolled in a high quality preschool program, compared with only 55% two years ago. The Administration has also worked to continuously improve preschool quality while promoting fiscal accountability. Accomplishments include new summer enrichment programs to ensure school year gains are sustained; the development of research-based program guidelines to encourage consistency across providers; and an expanded compliance program that will audit 25% of providers each year and provide new fiscal specialists in each district.

In fiscal 2003, Governor McGreevey created a new form of State aid to fund the dramatic increase in preschool enrollment in the Abbott districts. The Fiscal 2005 Budget recommendation includes \$182.4 million for Abbott Preschool Expansion Aid, as well as \$97.4 million in Department of Human Services funding for programs offered before- and after-school for Abbott preschoolers. The Department of Human Services will be redesigning their program to save an estimated \$17.1 million from the fiscal 2004 appropriated level.

A second form of State preschool aid—Early Childhood Program Aid—supports an additional 43,454 preschoolers and kindergartners in 132 high poverty districts around the State. The Fiscal 2005 Budget recommends \$330.6 million for this program. Governor McGreevey has proposed a new category of early childhood State aid for fiscal 2005. The Early Launch to Learning Initiative (ELLI) will increase access to high quality preschool for four year-olds by approximately 20,000 children in the 2004-2005 school year. The number of participating districts, as well as State funding, will increase until all interested districts are included in future years. The initial State appropriation of \$15 million will

## SUMMARIES OF APPROPRIATIONS

support low-income children outside Abbott districts and substantially offset the cost of offering preschool to all eligible children in participating districts. In the first year, ELLI will increase the percentage of four year-olds in New Jersey with access to high-quality preschool to over 52% of the total population. The percentage of low-income four year-olds with access to high-quality, State-funded preschool will increase to over 70%.



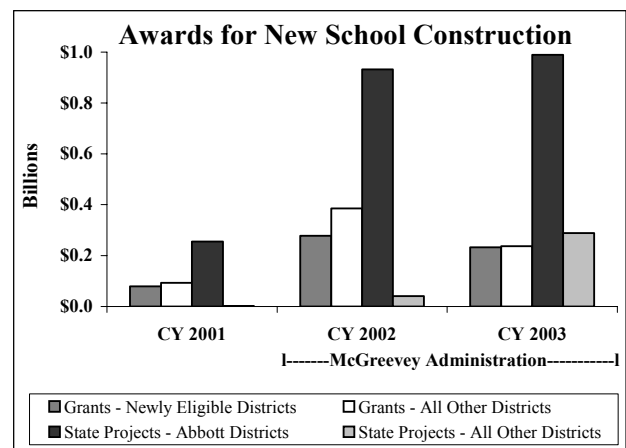
### School Construction

The Educational Facilities Construction and Financing Act of 2000 laid the framework for the largest school construction program in the nation. Every district became eligible for school construction aid and all districts saw an increase in the percentage of State support, which now ranges from 40% to 100% of approved project costs. Unfortunately, the new program became mired in bureaucratic red-tape and a fragmented approval process, hindering many school districts that tried to take advantage of the new funding.

Governor McGreevey made revamping the school construction program one of his first orders of business, issuing an executive order requiring a streamlined approval process, new efficiencies in procurement and project management, and prioritization of critical health and safety projects. He also created the New Jersey Schools Construction Corporation (SCC), an organization dedicated exclusively to overseeing the school construction program. Within one year, 90% of health and safety projects were completed and project timetables had been reduced from five to three years. In total, the State has dedicated more than \$3.5 billion to school construction through district grants, State-constructed projects, and retroactive debt service aid since the Governor assumed office.

Grants totaling \$1.13 billion were distributed to districts in calendar years 2002 and 2003, compared with \$172 million in 2001. Of the 379 districts that have received grants since the program's inception, 173 were previously ineligible for any school construction aid. In addition, the SCC will spend another \$2 billion in State funds on over 1,000 new projects approved in 2002 and 2003. In total, the SCC is building, expanding, or renovating over 1,300 schools all across New Jersey. Finally, 112 districts have been approved to receive over \$415 million in debt service aid over the life of school bonds issued before the new law took effect, which decreases reliance on local property taxes to pay debt service on school projects. Of the districts receiving this retroactive aid, 58 were previously ineligible for school construction aid.

The overhauled school construction program provides a massive infusion of dollars into local school districts, helping districts keep pace with increasing enrollment and modernization needs while minimizing property tax growth and creating more than 14,000 jobs. Through the SCC's Renaissance Schools and Demonstration Projects programs, several new schools have been specially designed to boost the revitalization and economic development of their communities. The benefits of this Administration's unprecedented investment in school facilities will be reaped for many decades, fulfilling our obligation to provide a quality learning environment for all of the State's children, both now and in the future.



(See "Taxpayer Relief" section for information on School Aid.)

## SUMMARIES OF APPROPRIATIONS

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### **Early Literacy**

One of the cornerstones of Governor McGreevey's education plan is guaranteeing that all children read at or above grade level by the end of third grade, a significant indicator for long-term academic success. To that end, the Administration instituted a new program that places specially trained reading coaches in elementary schools needing improvement in reading instruction and achievement. Now fully implemented, the program has assigned 60 coaches to 158 elementary schools and charged them with improving the reading skills of more than 50,000 children through teacher training and direct instruction. In 2003, the Governor unveiled the new Home District Initiative, which will encourage first-year coaches returning to their prior positions to continue as reading coaches in their home districts by subsidizing 50% to 100% of their salaries and benefits.

In addition to deploying reading coaches around the State, the Governor hosted a two-day early literacy conference in August, 2003. The conference disseminated information about research-based literacy teaching techniques to more than 700 reading educators in attendance. The Governor's Book Club—the first of its kind anywhere in the nation—was also launched in 2003. Over 60,000 children have already joined the online club, which promotes early literacy by encouraging children to read challenging books selected each month. The effort has leveraged private funds by securing commitments from New Jersey companies to donate three copies of each book selected to every elementary school in the State. Because of its overwhelming success with students and teachers, the Club has been expanded through the sixth grade.

Administrative efficiencies and an improved understanding of costs will allow comprehensive, high quality delivery of the State's early literacy programs with a reduced appropriation of \$7.4 million for fiscal 2005. These funds will be supplemented by more than \$18 million in federal aid for early literacy education in fiscal 2005.

### **New Jersey After 3**

New Jersey After 3, one of Governor McGreevey's new education initiatives for fiscal 2005, is a public-private partnership established to increase the availability of structured after-school care. With more women working outside the home and the growth of single-parent families, after-school

childcare has become a critical issue for New Jersey families. More than ever before, children are home alone after school, unsupervised and exposed to injury, crime, and drug and alcohol abuse. At the same time, more rigorous standards for higher academic performance pose new challenges for students. After-school programs offer children safe and supervised places to go after school and extend learning opportunities that can improve students' academic performance.

School districts, local community groups, and the State will work together to administer programs between 3:00pm and 6:00pm on regular school days at elementary and middle schools across New Jersey. The New Jersey After-School Partnership will be responsible for raising and granting public and private funds to programs, as well as quality assurance, fiscal monitoring, and provider training. Individual programs will feature low student-teacher ratios and will offer a variety of academic, arts, and recreational activities. The program's first-year goal is to enroll 20,000 students in after-school programs during the 2004-2005 school year. An initial investment of \$15 million in State-appropriated funds will be augmented by corporate donations and local contributions, as well as \$13.5 million in federal funds provided through 21<sup>st</sup> Century Community Learning Centers grants.

### **School Impact Fees for Developers**

Governor McGreevey has worked relentlessly to hold developers accountable for the costs they exact on communities, championing some of the most progressive regulations in the nation to protect water quality and open space from unbridled growth. New housing developments impose particularly acute strains on local services, leaving existing residents to pick up the tab after the developer has left town with all the profit. It is time for developers to contribute to the long-term residual costs of development.

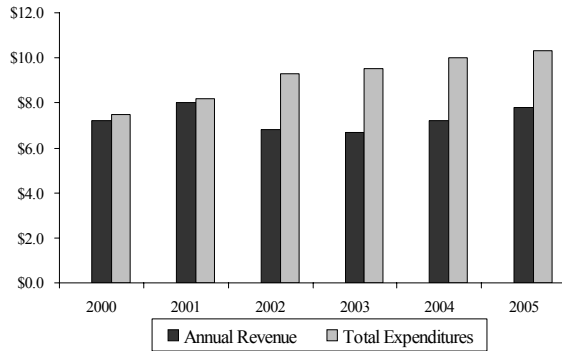
As a step in that direction, Governor McGreevey is proposing a new State impact fee on residential development to be dedicated exclusively to reducing local costs for new school construction.

### **Taxpayer Relief**

Despite the fact that Gross Income Tax (GIT) revenue projected for fiscal 2005 is still below the level realized in 2001, this Budget continues Governor McGreevey's commitment to increase funding for Property Tax Relief. Specifically, the Governor's Fiscal 2005 Budget recommendation for

Property Tax Relief programs supported by the Gross Income Tax totals \$10.3 billion while GIT revenue is projected at only \$7.8 billion, essentially providing \$2.5 billion or 32% more than the amount furnished by GIT revenues.

**Property Tax Relief Programs/Income Tax Revenues**  
(In Billions)



**School Aid**

Despite the fiscal challenges of the last several years, Governor McGreevey has steadfastly refused to balance the State’s budget at the expense of New Jersey’s schoolchildren. The Administration has eliminated a deficit each year without resorting to school aid cuts, and managed to fund an increase for fiscal 2004. For fiscal 2005, the Governor is proud to recommend the largest increase of his tenure in school aid for non-Abbott districts. His budget requests an increase of \$445 million for all districts, bringing total school aid to over \$8.6 billion for the 2004-2005 school year, an amount that represents approximately one-third of the total State Budget for fiscal 2005.

Every school district, as well as nonpublic schools, will receive an increase of 3% in State school aid for the 2004-2005 school year. The recommended budget includes \$90 million in new non-Abbott formula aid, \$100 million in new Abbott aid, and \$3 million in new non-public aid to fund this growth, shifting a good portion of the burden for inflationary school cost increases from property taxpayers to the State. This also represents the first increase in aid to non public schools since fiscal 2002. The Governor has also heeded the concerns of taxpayers whose school districts have experienced unusually high enrollment growth. By earmarking an extra \$5 million in formula aid for these districts, added

property tax relief will reach many of those districts where tax pressure has been the most acute.

Beyond these increases in base aid, the Governor recognizes that the State must contribute additional aid where it will be of the greatest benefit to schoolchildren and local taxpayers. The fiscal 2005 recommended budget includes several new categories of aid to meet particular needs identified by the Governor and educators. The Governor has proposed devoting \$15 million each to a new preschool program in non-Abbott districts and a new statewide after-school program. A third program will provide \$5 million for proven student improvement programs in low-income, non-Abbott school districts. Together, these programs will provide critical educational and social opportunities for thousands of schoolchildren at no cost to property taxpayers.

State aid to local school districts is the single largest purpose to which State funds are devoted. While increases in State aid can provide a reprieve, long-term property tax relief depends on efficient management of school revenues and expenditures. The Department of Education has recently been charged with developing a model of district efficiency that is compatible with New Jersey’s rigorous academic standards. The Department will use the model and other tools to help local school districts identify administrative inefficiencies and opportunities for savings, as well as to compare their administrative spending with a statewide benchmark range. These are the first steps in the Governor’s effort to ensure that taxpayers do not foot the bill for school districts that refuse to adopt reasonable standards for efficient non-instructional spending. The Administration also feels strongly that those school districts that get it right—delivering exceptional student achievement *and* good value for taxpayers—deserve to be rewarded. The Governor’s budget recommends \$5 million in incentives for these model districts.

Finally, the Fiscal 2005 Budget will provide almost \$1.6 billion in property tax relief through State payment of local teachers’ benefits and school construction. State payments for teacher benefits will increase by \$135 million over fiscal 2004, due to a \$118 million increase in post-retirement medical benefit costs and a \$21 million increase in the employer share of Social Security taxes, which are offset by savings on pension obligation bonds. School building aid will increase \$37 million over fiscal 2004. This funding shields property taxpayers from spiraling health and pension costs that would

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otherwise have to be borne locally, and provides New Jersey schoolchildren with state-of-the-art learning facilities at minimal property tax expense.

### Municipal Aid

Aid to New Jersey's 566 municipalities continues to grow in the Fiscal 2005 Budget. Total formula aid of \$1.6 billion reflects a \$25 million increase in Energy Receipts Property Tax Relief and level funding of Consolidated Municipal Property Tax Relief Aid.

Non-formula municipal grant programs are funded at a level of \$134 million. Among these are three aid programs, totaling nearly \$20 million, that reward towns that streamline their costs and seek to create efficiencies:

#### *Taxpayer Hero Grants*

This brand new program in fiscal 2005 will distribute \$5 million to those towns that hold the line on municipal spending.

#### *Regional Efficiency Development Incentive Grants*

The Fiscal 2005 Budget doubles the amount available for REDI grants to \$4.2 million. This program fosters smart government by providing aid to municipalities to study consolidation of services with other municipalities. Over 270 municipalities have received more than \$12.5 million in grants through this program since fiscal 2000.

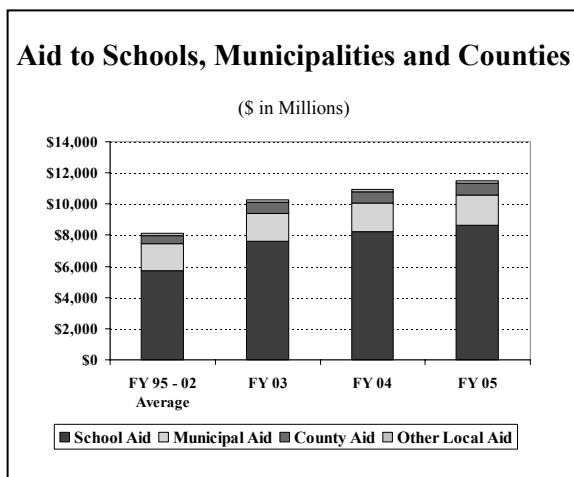
#### *Regional Efficiency Aid Program*

The REAP program rewards towns that have already consolidated services and reduced municipal spending. In fiscal 2005, fourteen municipalities will continue to receive aid under this program, which is budgeted at \$10 million.

The North Hudson Regional Fire and Rescue Squad is a prime example of how municipal service consolidation can save money without impacting service delivery. Based on a study funded by the State's Regional Efficiency Development Incentive (REDI) program, the towns of Guttenberg, North Bergen, Weehawken, Union City, and West New York consolidated their fire districts, generating \$40 million of property tax relief since 1999. As part of that effort, town residents also benefit from the State's Regional Efficiency Aid Program (REAP), as approximately \$6 million per year is provided in the form of tax credits which offset the cost of property tax bills for each calendar year in which the shared service agreement is in effect.

The Budget also includes funding for:

- Legislative Initiative Block Grant program at \$34.8 million;
- Extraordinary Aid at \$31 million;
- Special Municipal Aid at \$24.3 million;
- Trenton Capitol City Aid at \$16.5 million;
- State payments in lieu of taxes for open space at \$8 million.



### Other Local Aid

Funding for other local aid programs that are not exclusively municipal aid increases by \$52.7 million in fiscal 2005. The most significant of the increases, \$14.7 million, is for 911 service enhancement which is funded at a level of \$14.9 million in fiscal 2005. The largest increase, at \$21.8 million, boosts to over \$60 million the total pension contributions that the State makes to local police and fire pension funds. Other State aid increases include General Assistance Administration (\$7.7 million) and County College Aid (\$6.1 million), and there is new funding of \$2.3 million in fiscal 2005 to aid localities in cleaning up scrap tire piles. Other aid programs continue at level funding, including DEP's Stormwater Management Grants program at \$6 million.

Certain municipalities will also continue to benefit from revenue opportunities authorized by the following State programs:

#### *Hotel Motel Tax*

Towns are authorized to increase their local hotel and motel tax from 1% to 3% in fiscal 2005. As more and more towns opt to enact local hotel taxes, the aggregate benefit is expected to exceed \$45 million in fiscal 2005.

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### *Urban Enterprise Program – Sales Tax Dedication*

Sales tax returned to Urban Enterprise Zones is expected to increase by 5% from \$57.5 million to \$60.4 million in fiscal 2005.

### **Direct Property Tax Relief**

The Fiscal 2005 Budget will continue essential property tax relief programs by providing \$1.3 billion in rebates and State-funded tax deductions to New Jersey property taxpayers.

The fiscal 2005 Homestead Rebate program, funded at \$517.7 million, remains at the fiscal 2004 maximum rebate amount of \$775, providing property tax relief to an estimated 1.6 million homeowners and tenants with taxable incomes of \$100,000 or less.

NJ SAVER will provide an estimated \$300 million in rebates to over 1.1 million households. Eligibility for NJ SAVER rebates remains unchanged from fiscal 2004 allowing households with up to \$200,000 in income to claim rebates. NJ SAVER checks will remain at last year's level, averaging \$250 in direct relief.

A total of \$48 million is allocated for the Senior and Disabled Citizens' Property Tax Freeze program, an increase of 109% over fiscal 2004 funding. Income eligibility thresholds have increased from \$39,475 to \$40,028 if single and from \$48,404 to \$49,082 if married. Approximately 130,000 participants will receive reimbursements for their property tax increases in fiscal 2005, an increase of approximately 50,000 over the level of participation in fiscal 2004. The average reimbursement will increase from \$212 in fiscal 2004 to \$430 in fiscal 2005.

Qualified veteran residents will continue to receive a \$250 property tax deduction, and qualified senior and disabled residents will continue to receive a \$250 property tax deduction. This is a total of \$109 million in the State's reimbursements to municipalities for the estimated 427,000 veterans, seniors and disabled residents expected to apply for this deduction in fiscal 2005.

The property tax deduction will save property tax owners \$361 million against their State income tax liability in fiscal 2005, an increase of approximately \$20 million or 6%. The New Jersey Earned Income Tax Credit (EITC) program provides families with 20% of their federal EITC benefit. In fiscal 2005, this

benefit is estimated at \$100 million, of which \$18.4 million will be paid from the federal welfare block grant.

### **Smart Growth and the Environment**

#### **Parks Capital**

To begin to address the long-standing lack of capital funds required for the State's park system, an appropriation of \$4 million is proposed for fiscal 2005. Some of the high priority projects that may benefit in whole or in part from this funding increase include Rockingham (\$2 million - visitor center, restroom, and other renovations), Batsto Mansion (\$700,000), Princeton Battlefield Monument Restoration (\$200,000), and Atsion Mansion Restoration (\$1 million).

#### **Environmental Infrastructure Investments**

With key support from Governor McGreevey, the voters approved three important environmental initiatives at the ballot in the fall of 2003, including two new bond issues, that collectively provide a total of nearly \$400 million. Each of these measures addresses a key environmental issue for New Jersey.

The Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003 provides a total of \$200 million in new project funding, including \$95 million to reconstruct private dams, \$15 million to repair or refurbish State-owned dams, \$25 million for state flood control projects, \$15 million for dredging, stream cleaning and de-snagging, and \$50 million for water resource projects, improvements to water supply facilities and costs of wastewater treatment system improvements. Project selection will be determined through specific appropriations made by the Legislature.

Voters also approved more than \$100 million for open space purchases and community park improvements. The constitutional amendment will increase the bonding capacity of the Garden State Preservation Trust by \$150 million, from the \$1 billion that voters approved in 1998 to \$1.15 billion. The increased capacity will place no additional tax burden on New Jersey taxpayers, however. The sales tax dedicated in 1998 to pay off Garden State Preservation Trust bonds will cover these additional bonds, which will take advantage of today's lower interest rates.

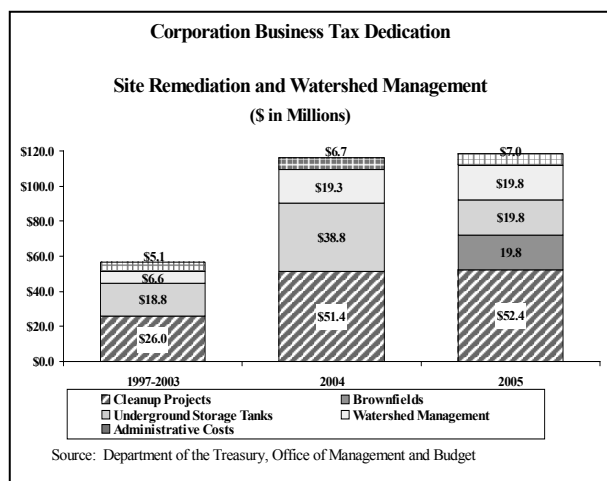
Finally, voters approved the reallocation of approximately \$60 million of funds previously

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appropriated for private underground storage tank remediation through the existing Corporation Business Tax (CBT) dedication to DEP. Due to slack demand, a significant balance had amassed in the Underground Storage Tank Fund. The \$60 million will be used by the Economic Development Authority (EDA) for loans and grants for site remediation or brownfields projects. Prospectively, 50% of the annual CBT allocation to private underground storage tank projects will also be redirected to EDA's account for this same purpose. Rather than let funds sit idle, they will be put to active use in restoring contaminated property, providing a key economic boost to the towns affected.

### Corporation Business Tax (CBT) Dedication

The 1996 constitutional dedication of 4% of the annual revenue raised from the State's Corporation Business Tax (CBT) continues to provide funds to finance the cleanup of privately owned underground storage tanks, remediation of contaminated sites, watershed monitoring and planning, and the Department's administrative costs. Since fiscal 2003 a total of \$291 million has been dedicated from the CBT for these purposes. The CBT dedication will increase a total of \$2.5 million in fiscal 2005, from \$116.3 million to \$118.8 million.



### Smart Growth

This budget continues a \$1.5 million appropriation that was first provided as supplemental funding in fiscal 2004 for 30 new permit review staff whose primary goal is to protect New Jersey's water, air and other natural resources from unrestrained, haphazard growth. These staff, most of whom are located in DEP's Land Use Regulation (12), Water Supply (7),

and Safe Drinking Water (5) programs, will concentrate on development projects that affect multiple programs, thus ensuring a coordinated review. The Department is also focusing on the cross acceptance aspects of these permits and on expediting projects in areas that have been approved for growth.

The State's Office of Smart Growth, located in the Department of Community Affairs, is funded at a continuation level of \$1.5 million in fiscal 2005. Smart Growth Planning grants also remain unchanged at \$2.7 million.

### Regulatory Initiatives

Governor McGreevey has also exercised bold leadership in the area of environmental regulation, placing New Jersey as a national leader on several issues. DEP recently unveiled several groundbreaking regulatory initiatives, all of which have a significant, beneficial impact on the environment and public health but require little or no additional State funds to implement:

- Announced the most comprehensive set of stormwater control regulations in the country, including the establishment of 300 foot buffers around more than 6,000 miles of our highest-quality waterways both to prevent degradation of drinking water and to ensure the water recharge into underground aquifers. No other state has required 300 foot buffers, which will provide a key tool in the fight against sprawl;
- Effective in 2006, the standard for arsenic in drinking water would be reduced to half the level deemed acceptable by the federal government. No other state has adopted a standard for arsenic, a known carcinogen, as low as the 5 parts per billion measure that New Jersey will use;
- By 2007, mercury emissions from New Jersey's 10 coal-fired power plants will be reduced by 90%. This initiative will also constrain emissions at iron and steel smelters and waste incinerators throughout New Jersey.

The Governor also signed into law the "Clean Car Act," adopting the stricter California Clean Car emissions standards on automobiles sold in New Jersey. Since cars are responsible for approximately 40% of the in-state air pollution, this represents a critical first step toward the Governor's goal of

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reducing air pollution emissions in New Jersey by 20% over the next 10 years. Adopting the California standard is expected to reduce air toxins by as much as 20% beyond the federal standard and, when combined with the promotion of cleaner vehicles, to reduce smog by 19% by the year 2020.

### Motor Vehicles Commission

On January 28, 2003, Governor McGreevey signed "The Motor Vehicle Security and Customer Service Act" creating the New Jersey Motor Vehicle Commission (NJMVC). NJMVC's accomplishments over the past year have included:

- As a public convenience measure, expanded service to Saturdays;
- Created enhanced business accessibility with online services;
- Increased customer satisfaction by providing intensive customer service training to staff;
- Reduced document processing time by revamping an antiquated mainframe system;
- Improved security by implementing new digitized driver licenses and by installing cameras and locks, upgrading safes, and providing a police presence at each agency.

To implement these initiatives, this Commission was provided dedicated resources of \$234 million in fiscal 2004. NJMVC will also have access to \$42 million from two new service charges implemented in calendar year 2003: a \$6 increase on all license renewals and a \$7 increase on vehicle registrations. For fiscal 2005, the Commission will receive an overall sum of \$278 million.

### Health and Welfare

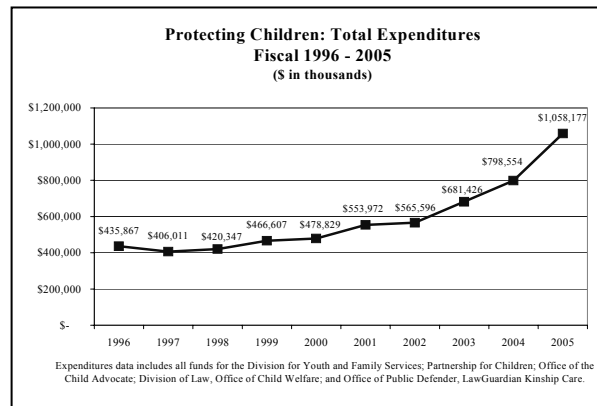
#### Child Welfare Reform

In the most comprehensive, far-reaching vision ever for children's services, proposed fiscal 2004 supplemental funding and the Fiscal 2005 Budget provides \$140 million of new funding to implement an historic rebuilding plan. Entitled "A New Beginning: The Future of Child Welfare in New Jersey," the plan is offered as part of the June, 2003 court settlement of a class action suit filed on behalf of foster children by Children's Rights Inc. in 1999.

Under a plan submitted by the Department of Human Services to the New Jersey Child Welfare Panel, caseloads of Division of Youth and Family Services (DYFS) workers would be dramatically reduced to

among the lowest in the nation. In addition, the monthly reimbursement rate for foster parents would be increased by nearly 25%, investigators trained in forensics will respond to all allegations of abuse or neglect within 24 hours, and substantial funding will be provided for the creation of a vast array of local support services for at-risk families.

DYFS will be completely re-engineered so that it concentrates only on the safety, well-being and permanency of children who have been abused and neglected. Two separate divisions will be created to focus on children's mental health services and child abuse prevention. Moreover, the plan calls for an unprecedented level of cooperation and partnership with local communities to lift up struggling families before they become part of the DYFS caseload.



To accomplish the ambitious goals set forth in the plan, the Department of Human Services would add nearly 1,500 new staff at DYFS over two and one half years, including 1,100 in fiscal 2005. Funding is provided to the Department of Law & Public Safety and the Office of Public Defender for more than 220 positions to speed children's cases to court, protecting their safety while ensuring all parties' rights. Moreover, the Department would load substantial funding into community-based substance abuse, mental health, domestic violence, housing services, and other programs aimed at protecting New Jersey's children.

#### Charity Care

The mix of funding for Charity Care assistance to state hospitals is recommended to change considerably in fiscal 2005, due largely to the fact that revenue from the State's Unemployment Insurance diversion will decline from \$275 million



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in fiscal 2004 to \$50 million in fiscal 2005. To help replace these revenues, it is proposed that a fee on ambulatory medical facilities be assessed to generate \$31 million and a new \$5 charge on hospital outpatient visits be assessed to raise \$34 million. While hospitals are required by State law to provide charity care services to those in need, medical facilities such as Magnetic Resonance Imaging (MRI) or dialysis centers and ambulatory surgery facilities are not so compelled. The \$5 charge per outpatient visit, which would be paid to the State by insurers, will not be assessed on Medicare cases but would generate federal matching funds under Medicaid. These revenues and additional resources from the General Fund and the \$135 million increase in cigarette taxes will increase Charity Care payments in fiscal 2005 by \$30 million (half State, half federal).

In addition to the funding noted above, hospitals may also take advantage of the existing Bad Debt Collection program, which was authorized in fiscal 2004 as a means of recouping a portion of the estimated \$1 billion in patient charges that hospitals bill but do not collect each year. Using the Department of Treasury's existing Setoff of Individual Liability (SOIL) program, hospital debt records are matched against the Division of Taxation's files to intercept checks for NJSAVER, Homestead Rebates, or income tax refunds and the proceeds are gainshared on a 50/50 basis. In the interest of increasing participation by the hospitals, program regulations were recently changed to broaden the age of the debt that may be submitted from the original two years to five years from date of service.

### **Cancer Research**

This Administration has allocated more funding for the development of innovative cancer research, treatment, and public education than any in New Jersey history. From fiscal 2003 through 2005, a total of over \$105 million in State funds was appropriated as Governor McGreevey made this a top priority despite a difficult budget environment.

Nearly 70% of these funds (\$71 million) were provided to the Cancer Institute of New Jersey (CINJ), including \$56 million over the three-year period for operating costs and \$15 million in capital for facility expansion. CINJ received the prestigious designation as a Comprehensive Cancer Center, the highest recognition afforded by the National Cancer Institute (NCI), and thus is one of only 39 such

centers in the nation and the only one in New Jersey. In addition, a website has been developed entitled NJ Cancer Trials Connect ([www.njctc.org](http://www.njctc.org)) to provide current information about clinical trials, thereby greatly increasing patients' access to the leading edge in cancer research and treatment.

In October, 2003, this effort was expanded into South Jersey as the Cancer Institute of New Jersey at Cooper Hospital in Camden was established. That center is supported by a \$5 million appropriation that continues in fiscal 2005. As a result, South Jersey residents no longer have to travel to Philadelphia for quality cancer services and treatment.

In addition, the New Jersey Cancer Education and Early Detection Program (NJCEED) is a statewide effort whose goal is to increase the awareness of each person's risk for breast, cervical, prostate and/or colorectal cancer and encourage them to use screening services for early detection. During fiscal 2004, NJCEED received \$2.7 million in State funding and the program is recommended to double in size in fiscal 2005 to \$5.4 million. Despite its initial success, many of the women who are eligible for the program remain unscreened. Specifically, only 14% of the eligible women with low incomes and 11% of those lacking insurance were screened between 1996 and 2004. The fiscal 2005 funding increase will provide cancer screening to 20,000 women as well as additional diagnostic procedures for women that are suspected of having breast or cervical cancer.

### **Prescription Drugs – PAAD/Senior Gold**

The federal government enacted Medicare legislation on December 8, 2003. Medicare will offer a discount card which provides a \$600 subsidy for low income seniors. This initiative will offset approximately \$90 million of the cost of the State's Pharmaceutical Assistance to the Aged and Disabled (PAAD) program.

The Fiscal 2005 Budget does not propose any changes in benefits or eligibility for the 220,000 seniors who receive PAAD/Senior Gold prescription drug coverage.

### **Long Term Care**

#### **Caregivers**

A new program entitled New Jersey Caring for Caregivers is recommended to receive \$2 million in funding in fiscal 2005, providing new services to the

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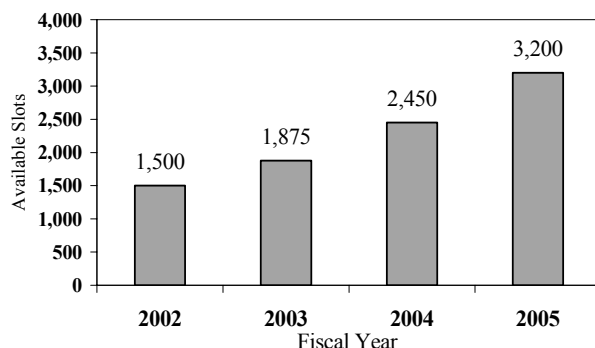
people who make it possible for aging seniors to live in their own homes. It is estimated that approximately 800,000 adults provide some type of caregiving service to elderly or disabled adults. The need for such care is expected to increase significantly in the future due to the gradual increase in our elderly population, particularly the age 85+ cohort which is expected to rise by over 50% by the year 2010. Given the shortage of home care workers, there is a pressing need to help caregivers balance their caregiving responsibilities with employment and normal, daily chores. This type of care is constant and, at times, overwhelming. By restoring a degree of flexibility and control over their lives, caregivers will be better equipped to cope with the physical and emotional distress of their responsibilities.

This proposal will allocate \$1.6 million to fund 14 county offices around New Jersey. These offices will provide services in caregivers' homes, including mental health counseling, volunteer support assistance, and stipends to purchase help with daily tasks such as shopping. In the first year, an estimated 1,000 caregivers will be served. Another \$400,000 will support 70 caregiving families in a consumer-directed pilot program in seven counties (i.e., \$55,000 per county office). This particular program will provide respite services or special equipment based on the specific needs of the caregiver.

### Assisted Living

The Budget supports an additional 750 slots for the Assisted Living program, which provides a cost effective, community-based alternative to nursing home care for the Medicaid population. The program combines housing, personalized support, and health care services to those who need help with the daily activities but do not require nursing home care. As a result, a savings of \$9.3 million is anticipated in nursing home costs. As noted in the chart below,

**Assisted Living**



Governor McGreevey has more than doubled the number of Assisted Living slots, increasing program capacity by 1,700 or 113% from 1,500 in fiscal 2002 to a projected 3,200 in fiscal 2005.

### Global Budget

This year's Budget for senior services has been designed to provide enhanced flexibility to allow people residing in nursing homes to be supported in less costly, more appropriate home and community-based services - or avoid institutional placement altogether. The intent of this initiative is to move the Department of Health and Senior Services towards a "global budget" for long-term care services.

### Nursing Homes and Alternatives

The Budget includes a number of changes that would affect Medicaid reimbursements for nursing homes:

- Nursing home rates will not be re-based in fiscal 2005 or adjusted for inflation. Estimated savings are \$31.5 million;
- Reduce the funding recognized by the Medicaid nursing home rates to cover nursing costs. This was previously paid out of federal Intergovernmental Transfer (IGT) funds which have been greatly reduced since fiscal 2003. Estimated savings are \$10 million;
- Reduce the reimbursement for nursing home holding beds for residents who leave temporarily from 90% to 50% of the facility rate. Estimated savings are \$5.2 million;
- Additional staff has been added to handle nursing home rate setting and recovery of overpayments in a more timely manner, generating a savings of \$500,000;
- Enrollment enforcement savings will be achieved by performing prior authorization in the Medical Day Care program. This will ensure that only clients who have a medical necessity receive the services offered. Estimated savings are \$10.9 million;
- A rate freeze in the Medical Day Care program will be implemented, keeping rates at the fiscal 2004 level. Estimated savings are \$1.8 million.

If the federal government approves New Jersey's pending initiative for a Nursing Home Provider Tax Assessment, the savings actions noted above for not re-basing nursing home rates in fiscal 2005 (\$31.5 million), reducing funds recognized by Medicaid for nursing home costs (\$10 million), and lowering the

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reimbursement for nursing home holding beds (\$5.2 million) will be reversed.

### Cardiovascular Care

Cardiovascular disease (primarily heart disease and stroke) is the leading cause of death in New Jersey and throughout the United States. In addition, in New Jersey and across the country, significant disparities in cardiovascular health and health care exist.

The Budget includes a new appropriation of \$2 million for a Cardiovascular program in the Department of Health and Senior Services. Funding will be used to promote awareness of the risks and manifestations of heart disease, its prevention, effective diagnostic and therapeutic interventions, and available resources within the State. In addition, the Department will develop and implement initiatives to reduce the risk of heart attack, stroke, and cardiovascular mortality for the residents of New Jersey, and will target communities at highest risk.

### Medicaid/Family Care – Preserving Services

Funded through the Division of Medical Assistance and Health Services (DMAHS), the Medicaid/NJ FamilyCare programs pay for medical goods and services to New Jersey residents determined eligible for financial assistance. The State's portion of the Human Services' Medicaid/NJ FamilyCare programs is projected to increase 7.7% from \$2 billion to \$2.15 billion in fiscal 2005. Natural enrollment growth and inflationary pressures are the primary factors driving this budgetary growth. The number of individuals who are eligible for services is projected to rise by approximately 15,000 from the current 935,000 to more than 950,000, an increase of 1.7%.

#### *Operational Efficiencies*

Because of the scale of the Medicaid programs, it is imperative that costs be controlled in order to preserve the basic level of services during times of fiscal constraint. The Fiscal 2005 Budget includes new initiatives whose primary objective is to identify cost savings through efficiencies in operations and program effectiveness.

The following cost-control strategies are projected to generate savings of \$20.5 million in 2005:

- Save \$5.5 million by increasing data mining projects, which are technology-based solutions used to research data and provide

ideas for efficiency and effectiveness. One example would be to review the beneficiary eligibility file by using a data model process to identify beneficiaries who may not be eligible;

- Save \$5 million by identifying Medicaid managed care beneficiaries who are found to have duplicate coverage under commercial or Medicare managed care plans and disenroll them from Medicaid. The alternative health care plan would become the primary payer and wrap-around services will be extended to disenrolled beneficiaries to maintain the Medicaid level-of-care;
- Save \$5 million by improving the administrative coordination of health benefits (i.e., medical costs), and increasing third-party recoveries from other insurance companies, such as Medicare and commercial plans;
- Save \$2.5 million by improving the point-of-sale coordination of pharmacy benefits (i.e., prescription drugs) with third party insurance companies, such as Medicare and commercial plans;
- Save \$2.5 million by adopting the edits used by retail pharmacists (e.g., no early refills, concurrent duplicate medications, incompatible polypharmacy medications) into the long-term care drug system, including nursing homes.

#### *Optional Services*

Under federal regulations, states are given flexibility in providing certain optional services. During the past few years, some states have experienced budget shortfalls as a result of declining revenues due to the poor economy. Faced with limited fiscal resources, nearly half of the states have been compelled to eliminate or limit the provision of these optional services.

In 2005, New Jersey will continue to provide one of the richest benefit packages in the nation to more than 950,000 of its most vulnerable citizens.

The Governor's Budget maintains the same level of optional services as had been provided to beneficiaries in fiscal 2004, such as dental services, optometry, optical appliances, podiatrists, chiropractic, psychiatrist services, hearing aids, prosthetics, orthotics, durable medical equipment,

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medical supplies, residential treatment centers, intermediate care facilities, non-federally qualified health centers (FQHC) clinic services, personal care services, medical day care, and hospice.

### *Prescription Drugs*

New Jersey provides and finances generic and brand-name prescription drug benefits for most of its Medicaid/NJ Family Care program enrollees. Many of the Medicaid/NJ FamilyCare beneficiaries take multiple prescriptions for several conditions. The State does not require a drug formulary, nor does it legislate the price structure for these drugs, although it has taken steps to make full use of less-expensive generic drugs, thus encouraging physicians to prescribe lower-cost versions whenever medically possible.

Faced with increased utilization and rising drug costs, the Medicaid/NJ FamilyCare programs have been challenged to identify ways to curb growing expenditures. Medicaid alone projects to spend more than \$1 billion for fee-for-service retail and long-term care prescription drugs in fiscal 2005, not including prescriptions provided through the managed care initiative or NJ FamilyCare.

In an effort to better control drug utilization and help offset cost increases, adult beneficiaries will begin to share the costs for their prescriptions in fiscal 2005 to save \$8.1 million. Pregnant women and children will not be subject to the nominal \$2 co-payments to be collected from adult beneficiaries at the retail point-of-sale. Each person's financial responsibility will be capped at \$10 per month.

Finally, \$10 million in cost savings from operational efficiencies are projected.

### *Managed Care*

In addition to the traditional fee-for-service health insurance program, in which healthcare providers bill the program directly, New Jersey also extends managed care to some beneficiaries. Health Maintenance Organizations (HMOs) manage the healthcare for these beneficiaries and offer special services in addition to a wide array of benefits to which beneficiaries are entitled. As of January 1, 2004, 640,000 beneficiaries were enrolled in managed care, which is 78% of the Medicaid/NJ FamilyCare population who are eligible for such

enrollment. The remaining recipients are covered by traditional fee-for-service providers.

The Fiscal 2005 Budget provides \$525 million for the Managed Care Initiative, including an increase in premium rates of \$36 million to maintain the managed care network of services – ensuring that these beneficiaries continue to receive the best healthcare possible.

### *KidCare, FamilyCare, and General Assistance*

New Jersey's KidCare program is a federal and State-funded children's health insurance program created in 1998 to help uninsured children have affordable health coverage. The program covers children in New Jersey up to 350% of poverty – \$65,975 annually for a family of four. Currently, nearly 98,000 children (January 1, 2004 enrollment) are enrolled in NJ KidCare.

The Fiscal 2005 Budget provides \$49.8 million in State government funds for the NJ KidCare program. The federal government is projected to also provide \$92.6 million in State Children's Health Insurance program (SCHIP) funding.

New Jersey's FamilyCare program was enacted on July 13, 2000. Current highlights of the program include:

- Within the \$121 million NJ FamilyCare recommendation, a \$2.6 million increase will cover rate increases and caseload changes;
- The enrollment of single adults and couples without children into the NJ FamilyCare program was frozen in September 2001; and in June 2002, adult parent enrollment was stopped as well. Additionally, limitations have been placed on the benefits these adults receive through this program;
- Current enrollment of NJ FamilyCare adult parents with family incomes up to 200% of the federal poverty level (\$37,700 annually for a family of four) is 89,240 (January 1, 2004 enrollment). The program will also provide State-only funds to maintain coverage for 10,661 adults (January 1, 2004 enrollment).

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The General Assistance medical program is recommended to increase \$10.4 million to support healthcare services for this population.

### *Children's Behavioral Health Services*

In addition to programs for medical goods and services, the DMAHS assists in the administration of the Children's Behavioral Health Services program, previously named the Partnership for Children, and originally begun under an initiative for a Children's System of Care for behavioral health.

Entering its fifth year of operation, the Children's Behavioral Health Services program offers behavioral rehabilitative services targeted to children up to 18 years of age, as well as youth 18-21 years of age who are transitioning to the adult system.

In fiscal 2005, \$171 million is recommended to support services that are community-based, child-centered, and family-focused, representing a \$37 million increase over fiscal 2004. This initiative has been highly successful in leveraging federal funds in order to fuel its continued growth.

### **Developmentally Disabled-Community Programs**

As part of the Division of Developmental Disabilities' (DDD) ongoing Community Service Waiting List initiative, funding will be available to place 200 people from the existing Community Services Waiting List and Community Transition in fiscal 2005. One hundred people will be placed in group homes, 24 in supervised apartments and 76 in existing vacancies. The total cost for development of 50 homes, new placements and full year funding for costs deferred from fiscal 2004 is \$13.1 million.

Real Life Choices, a new program that was recently implemented within DDD, will provide in-home/respite services for people on the waiting list and for people living at home with parents or guardians. This program began serving developmentally disabled individuals in fiscal 2004 and will increase services to 550 individuals in fiscal 2005.

In addition, Developmental Center Enhancement funding of \$4.9 million is recommended to prevent the developmental centers from losing federal certification/funding. These funds will also be used

to encourage the recruitment of nurses, update equipment, purchase additional vehicles, and provide community placements and work programs.

### **Mental Health Community Programs**

As part of the ongoing Redirection II program, the Division focused on placing patients into the least restrictive environment possible during fiscal 2004. As a result, full year deferred costs of \$3.4 million must be funded in fiscal 2005.

Another \$4 million was added to control and manage state psychiatric hospital census/average daily populations or ADPs. This is done by increasing the number of Programs for Assertive Community Treatment (PACT) teams, Integrated Case Management Services (ICMS), and increasing crisis/respite services.

### **Homeland Security**

From fiscal 2003 through 2005, Governor McGreevey has provided nearly \$248 million in State funds for Homeland Security, clearly making it a top priority of his Administration. Each year, the amount of support has increased, as a growing mix of funding sources has been put in place. In fiscal 2005, a total \$94 million in State Funds are recommended, including \$26.8 million from the existing car rental surcharge, \$34.3 million from the General Fund and \$33 million from a proposed surcharge on wireless telecommunications (see below).

This commitment has leveraged over \$386 million in federal funds during the three-year period. About 65% of these funds are administered by the Department of Law and Public Safety, much of which (50 to 80%) is forwarded to local governments for equipment and training for first responders or for infrastructure protection.

The remaining federal funds are allocated to the Department of Health and Senior Services (DHSS) for bioterrorism. The Department has upgraded the Local Information Network and Communications System (LINCS) to provide a robust, regional public health response capability that is an absolute necessity for dealing with threats of bioterror. In addition, a Pharmaceutical Stockpile Access and Distribution Plan is now in place, with over 400 sites identified for mass distribution of medications or vaccinations. Similarly, preparedness and response plans were also created for smallpox and SARS. Finally, testing services at the State lab have been

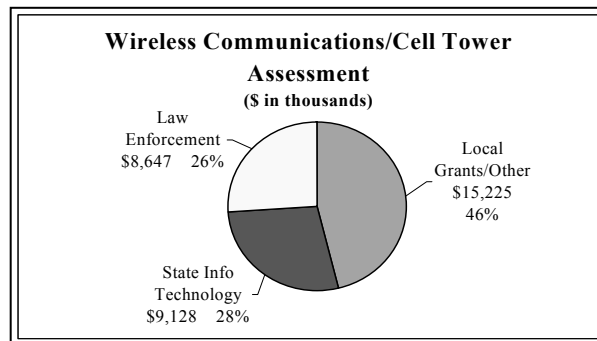
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augmented to enable DHSS to handle surge capacity for rapid analysis of specimens associated with chemical or biological attacks.

### Wireless Telecommunications/Cell Tower Assessment

As part of the Fiscal 2005 Budget, a telecommunications assessment is proposed on wireless telephone communications. The assessment would generate an estimated \$33 million annually for Enhanced 911 (E-911) service and Homeland Security programs. Approximately \$24 million of that amount would be used to upgrade the State's current E-911 system to enable local responders to pinpoint wireless 911 calls within 300 feet of their actual location. Since the current system is only able to approximate the caller's location within a broad area covered by a particular cell tower, this represents a key safety improvement. The \$24 million allocation includes \$14.9 million in grants to upgrade equipment and related technology used by local public safety answering points (PSAPs), as well as \$6.6 million to partially offset the State's existing telecommunications contract to operate the 911 system and \$2.5 million for Geographic Information System (GIS) mapping capability.

The remaining \$8.6 million will be used to enhance



law enforcement services related to Homeland Security, including \$3.9 million to purchase approximately 400 new patrol cars for the State Police and support salary and training costs for new State Troopers, and \$4.7 million to support security details at the State's nuclear power plants. Legislation will be introduced to ensure that the cost of the assessment is not passed on to seniors, the disabled, or State government agencies. This initiative will benefit over 3 million wireless customers in New Jersey.

### Four New Trooper Classes

Between fiscal 2004 and fiscal 2005, four State Police training classes will be scheduled. These four classes are expected to graduate a total of 400 new troopers, which will permit reassignment of more experienced troopers to other areas in the State Police. The new graduates will offset the normal attrition that occurs annually and will provide a net increase of the enlisted force of approximately 100 troopers by June, 2005.

### Veteran's Programs

Governor McGreevey has made veterans programs a key priority in the Fiscal 2005 Budget. The recommendation for the Department of Military and Veterans' Affairs (MAVA) is \$83.8 million, which represents an increase of \$4.4 million or nearly 6% above the current year. Much of this increase, along with a reallocation of \$400,000 that supported one-time costs in fiscal 2004, is targeted to provide additional capacity in the State's three veterans homes, including 108 new beds, a capacity increase of 13%.

Late in fiscal 2004, MAVA plans to open the Old Glory Wing at its Menlo Park Home. An increase of \$2.8 million has been recommended for that purpose, including a supplemental appropriation of nearly \$1.8 million for start-up costs during fiscal 2004 and an additional \$1 million for fiscal 2005. The Old Glory Wing, which specializes in treating veterans suffering from dementia or Alzheimer's disease, will provide 40 beds, an increase of 14% above Menlo Park's current total capacity of 272. More importantly, the 40 bed increase more than doubles the capacity to serve dementia and Alzheimer's patients in the existing veterans home operated by MAVA.

An additional \$1.7 million is recommended for the operating costs associated with the opening of a new veterans' home in Vineland, which MAVA plans to open in March, 2005. The new, state-of-the-art facility will have a capacity of 300 beds, an increase of 68 beds or nearly 30% above the existing capacity of 232 beds.

A total of \$2.1 million in new capital funding is also recommended. Of this total, \$627,000 will furnish the State share for the construction of an all-purpose room at the Paramus Veterans' Home. Resident activities are currently conducted in the cafeteria, which disrupts the scheduling of meals. The all purpose room will provide a separate and dedicated area for social gatherings and volunteer work, and will greatly enhance the quality of life for residents.

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This investment will leverage a considerable amount of non-State funds, including a 65% share (\$1.4 million) from the federal Veterans Administration and a \$135,000 pledge from a local non-profit organization.

In addition, \$1.5 million is recommended for the construction of a World War II memorial to honor and recognize those who served our state and our country during that conflict.

With a veteran population ranked as the ninth largest and the oldest in the country, these investments will help ensure that MAVVA continues to provide the best possible service to a group that richly deserves it.

### Arts, History and Tourism

An \$11.2 million increase in funding for arts, history, and tourism in fiscal 2005 is offset by revenues derived from P. L. 2003, c.114, the State hotel and motel occupancy fee and includes the following:

- The New Jersey Cultural Trust has a fiscal 2005 appropriation of \$720,000, which is an increase of \$220,000, or 44% over the fiscal 2004 appropriation of \$500,000;
- The New Jersey Historical Commission is recommended to receive a fiscal 2005 appropriation of \$4.6 million in grants, of which \$3.8 million will fund the New Jersey Historical Commission's agency grants with revenue derived from the State hotel and motel occupancy fee. This represents an increase of \$1.1 million or 41% over the fiscal 2004 appropriation of \$2.7 million;
- In fiscal 2005, the Council on the Arts will receive an appropriation of \$22.7 million, which is an increase of \$6.7 million, or 42%, over the fiscal 2004 appropriation of \$16 million. Of this amount, \$1.5 million has been recommended for the Battleship NJ in fiscal 2005;
- Finally, the Commerce Commission's Travel and Tourism Budget will increase by \$3.2 million (33%) solely attributable to the revenue derived from the hotel/motel tax.

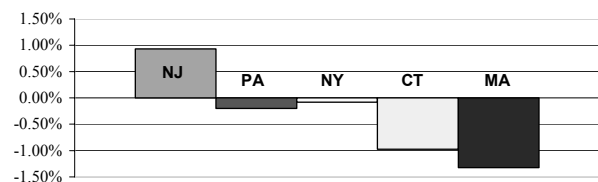
### Economic Development

New Jersey's improved fiscal and economic picture has coincided with implementation of Governor McGreevey's economic development strategy of new investment in the transportation system and school

construction, a new and improved Business Employment and Incentive program, and targeted investments in projects such as the City of Camden's revitalization and Xanadu in the Meadowlands.

During 2003, New Jersey's job growth outpaced that of all surrounding states and the nation as a whole. More than 37,000 jobs were created in New Jersey between December 2002 and December 2003. In fact, New Jersey's job growth during this period was the sixth highest in the country.

**Regional Job Growth**  
**Dec. 2002 - Dec. 2003**  
(% Change)



The State's jobless rate has also stayed consistently below the national rate. For the second consecutive year, New Jersey saw a record increase of new business filings, 70,566. Over this period of time, the Administration has invested \$2.5 billion in road and transportation projects and more than \$3 billion in school construction, creating thousands of New Jersey jobs.

Another key component of the Governor's strategic economic investment plan has been the reform and improvement of the Business Employment and Incentive (BEIP) program.

The Governor's reforms targeted those industries with the highest growth potential and the highest paying jobs – high-tech and biotech, pharmaceuticals, financial services, and transportation and logistics. Biotech and high-tech companies qualify for BEIP by creating as few as 10 jobs. New funding programs are also established, supported by residual tax revenue generated by companies qualifying for BEIP grants: the \$10 million Springboard Fund, to help more technology businesses get started; and the Biotech Venture Capital Fund, to support life-sciences companies, with each \$1 of State investment expected to be matched by \$3 of private capital.

Public/private partnerships are also at the heart of the Governor's economic strategy for targeted

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investments in Camden and the Meadowlands. Under the Governor's leadership, the Economic Recovery Board in Camden is pioneering a new model for public/private partnership to promote economic development in New Jersey's cities. Since 2003, the \$175 million in public funding committed to Camden has already resulted in the announcement of over \$1 billion in private investment. Camden's progress has earned the city high marks from outside observers, including Inc. Magazine, which ranks Camden 6th on its 2004 Top Ten List of Cities for Doing Business in America.

The Governor has also announced his support of the Meadowlands Xanadu project. The project will bring 1.5 million square feet of family entertainment, office towers and North America's first indoor skiing facility. It is expected to create over 21,000 jobs over six years, and by 2012, generate nearly 20,000 new full-time jobs. The project will result in \$1.3 billion in capital investment in the region and will translate into an aggregate fiscal/tax impact of \$860 million during the first ten years of operation.

The Governor's strategy also makes vital investments in human capital. Businesses are demanding an increasingly skilled workforce, so the Governor is overhauling job-training programs, making higher education more affordable, and improving public school education in order to give businesses better workers. These investments will reap large rewards – job-training programs increase business productivity by 15 percent, according to the Committee for Economic Development. The Administration is consolidating job-training services into one focused agency and providing training grants for over 60,000 workers.

Governor McGreevey is also converting abandoned hazardous "Brownfields" sites into economic engines that create jobs and renew cities, as a total of \$30 million has been approved for 170 redevelopment projects in the last 18 months.

Governor McGreevey's commitment to economic development is as much a commitment of attitude as it is of dollars. Under his leadership, the State is now working smarter and faster to coordinate rapid, multi-agency responses to emerging development projects, cutting through red tape and facilitating private investment and job creation.

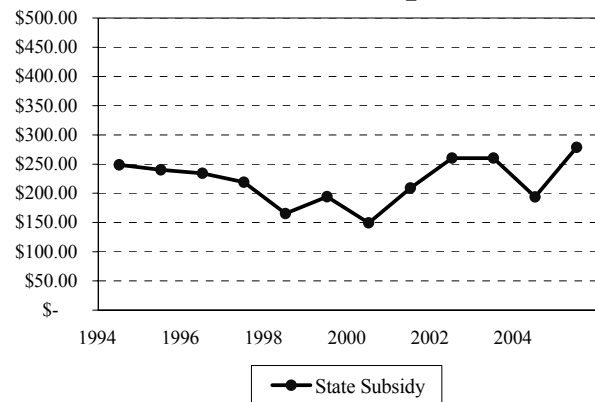
These efforts and innovations continue in fiscal 2005. The new budget expands the Technology Tax Credit Transfer Program, a \$40 million program that allows

small start-up technology companies to sell their net operating losses to profitable companies. The transaction provides vital cash flow to help small companies grow their business. Last year, the program attracted 193 applicants to a limited supply of credits. This program will be expanded by \$20 million to \$60 million to meet fervent demands from growing companies.

### New Jersey Transit

Governor McGreevey has made mass transit a special priority in his Fiscal 2005 Budget. New Jersey Transit is recommended for an appropriation increase of \$84.9 million, or nearly 44%, the largest one-year increase in the State subsidy for mass transit in history. The total subsidy would rise from the current \$193.8 million to \$278.7 million, which is also the highest amount ever provided by the State. Most importantly, this increase is sufficient to enable New Jersey Transit to avoid a fare increase during fiscal 2005.

### NJ Transit Corporation



Another key factor in that determination is New Jersey Transit's ongoing search for internal cost efficiencies. In fiscal 2005, a total of \$30 million in operating savings has been identified, including attrition-related salary reductions, the elimination of the Private Bus Card subsidy, reduction in bus maintenance overtime, Access Link efficiencies attributable to a regional consolidation of service, and a drop in the use of consultants. (In the case of Private Bus Cards, New Jersey Transit will continue to reimburse private bus companies based on revenue collected for tickets honored on their routes.)

### Higher Education

The Budget provides \$1.96 billion in overall support of the State's higher education system in fiscal 2005,



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a \$113.3 million, or 6.1% increase in funding from the fiscal 2004 level.

The State's senior public colleges and universities would receive \$1.34 billion in overall support in fiscal 2005. This is an increase of \$68.3 million, or 5.4%. The direct State support to the institutions would remain at the fiscal 2004 level with the exception of the elimination of a few one-time appropriations such as the \$5 million that was appropriated to Rutgers in fiscal 2004 for costs associated with the proposed merger of Rutgers, UMDNJ and NJIT. Direct operating support for these institutions will total \$814.3 million in fiscal 2005.

The Budget provides an increase of nearly \$43 million in indirect support to these institutions through the continued payment of the fringe benefit costs for institutional personnel. In fiscal 2005, the State budget will provide a total of nearly \$500 million for fringe benefits costs.

The Budget also provides \$31.2 million to fund a significant portion of the negotiated cost-of-living increases (COLAs) for institutional personnel. Funding for these COLAs has not been provided to the institutions since fiscal 2002.

The Budget provides \$220 million in support for the State's county colleges, an increase of \$6.1 million. This increased State support provides operational assistance to maintain the county colleges as an affordable avenue for higher education as well as providing property tax relief. The increased State appropriations would fund increased costs for debt service and fringe benefits. The operating aid to the county colleges would be funded at \$2 million above the current levels.

The Administration also supports a \$200 million increase in the cap on total Chapter 12 borrowing, from \$330 million to \$530 million, which will be split evenly between the State (\$100 million) and the counties (\$100 million). This increased funding will provide resources to expand and renovate county college facilities in support of opportunities for economic development and the consolidation of job training programs provided by the State and these colleges.

Despite the difficult budget climate, the Budget increases the funding level for the State's 14 independent colleges and universities by \$500,000.

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

### **Student Financial Assistance**

The Budget provides \$270.5 million for the various student financial assistance programs, including the Tuition Aid Grant program, Educational Opportunity Fund programs and the new NJ STARS program. This is an increase of \$30.5 million, or 12.7%, from the current level.

#### **Tuition Aid Grants**

The Budget provides \$198 million for the Tuition Aid Grant (TAG) program for full-time students, an increase of \$19.3 million. This increase will allow 2,000 more students to receive grants in fiscal 2005. In total, 55,500 students will receive TAG support in fiscal 2005.

In addition, the Budget provides \$4.2 million for the part-time TAG program for county college students that was initiated in fiscal 2004. The \$700,000 increase in the program will increase the number of recipients from 6,800 to 8,200 in fiscal 2005.

### **New Jersey Educational Opportunity Fund (EOF)**

The New Jersey Educational Opportunity Fund (EOF) was created by law in 1968 to ensure meaningful access to higher education for those who come from backgrounds of economic and educational disadvantage. EOF funding, totaling \$35.1 million in fiscal 2005, will assist low-income New Jersey residents who are capable and motivated but lack adequate preparation for college study through a variety of programs such as Opportunity Program Grants, Supplementary Education Program Grants, the C. Clyde Ferguson Law Scholarship, and the Martin Luther King Physician-Dentist Scholarship.

### **NJ STARS Program**

Due to the increasing cost of college, not all of New Jersey's top performing high school graduates are able to capitalize on their academic success. Some of these students are forced to make a decision between taking out thousands of dollars in student loans or forgoing higher education altogether. Missing out on college significantly hampers their earning power, as students who obtain an associate degree will earn \$400,000 more in additional lifetime income over the

course of their careers, or 37% more than those with only a high school diploma.<sup>1</sup>

To ensure that New Jersey's most academically talented students are not denied the opportunity to attend college, Governor McGreevey is creating the New Jersey STARS (Student Tuition Assistance Reward Scholarship) program.

NJ STARS will guarantee that every New Jersey high school student who graduates in the top 20% of his or her high school class and wants to go to a New Jersey community college will have tuition and fees covered for two years. To be eligible, a student must:

- Attend at least the full senior year and graduate from a New Jersey high school;
- Graduate in the top 20% of his or her high school class;
- Enroll as a full-time student at one of New Jersey's 19 community colleges within two years following high school graduation;
- File the Free Application for Federal Student Aid (FAFSA) to apply for all need-based federal and state financial aid grants for which he or she may be eligible, including Pell Grants and Tuition Aid Grants (TAG);
- Apply for all merit-based state financial aid grants for which he or she may be eligible, including the Edward J. Bloustein Distinguished Scholars and Urban Scholars programs;
- Maintain full-time enrollment status at a New Jersey community college and make satisfactory academic progress while receiving this scholarship.

NJ STARS will give every student who excels in high school the opportunity to succeed in college, but the program will do more than simply help students. Ninety-five percent of community college students stay in New Jersey and join the workforce after leaving college, and the state's annual workforce earnings are \$6.3 billion greater (an equivalent of 135,000 jobs) due to community colleges.<sup>2</sup> By helping New Jersey's brightest students, NJ STARS will make our state's workforce outshine the competition.

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<sup>1</sup> and <sup>2</sup> NJ Council of County Colleges report, *Socio-economic Benefits Generated by NJ's Community Colleges*

### **New Jersey Stem Cell Institute Initiative**

On January 4, 2004, Governor McGreevey signed New Jersey's Stem Cell Bill making New Jersey the second state in the nation to legalize groundbreaking stem cell research. This important step builds on Governor McGreevey's vision to make New Jersey a leader in medical research and medical care.

*Stem Cell research offers real hope for those with debilitating diseases:*

- According to the National Institutes of Health, stem cell research offers the possibility of treatment for those with Parkinson's and Alzheimer's diseases, spinal cord injury, stroke, heart disease, diabetes, and many other diseases, providing hope to hundreds of thousands of families affected by chronic and life-threatening disease.

*New Jersey welcomes the use of all stems cells to promote cures for debilitating diseases:*

- New Jersey's new Stem Cell law allows life science companies and universities to openly pursue new medical treatments using stem cells;
- New Jersey's new Stem Cell law allows research on stem cells which cannot be performed with federal funds.

*Key Components of the New Jersey Stem Cell Institute:*

- The New Jersey Stem Cell Institute will be jointly operated by the University of Medicine and Dentistry of New Jersey and Rutgers University based in a new facility to be built in New Brunswick;
- A public-private partnership will be created to oversee the development of the Institute, which is expected to be a more than \$50 million initiative over the next five years. At the direction of the Governor, the Commission on Science and Technology will convene a working group to pursue the Institute's development;
- An initial \$10 million public-private Stem Cell Fund will be created this year that will include Governor McGreevey's commitment of \$6.5 million, which includes \$4 million in prior year balances, to begin

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planning and recruitment of top researchers from around the world. The remaining \$3.5 million will be funded through a variety of sources, such as the National Institutes of Health and private grants from corporations;

- The Institute will be one of the first of its kind in the country, and certainly the first to form a real partnership between research universities, a medical school, and private interests;
- Background information on Stem Cells, including a primer and glossary, can be found at <http://stemcells.nih.gov/>.

### Capital Grants and Facility Support

Finally, the Budget provides \$84.3 million in State support for various bond issues that have provided capital grants and facilities support for the higher education institutions. This is an increase of \$5.3 million, or 6.7%. Among these programs is the Dormitory Safety Trust Fund, P.L. 2000, c. 56, which mandates the installation of automatic fire suppression systems in every residence hall on New Jersey college campuses by the summer of 2004. Many institutions have completed this important work ahead of the statutory deadline, and every college is on target to achieve 100% compliance before the start of the fall semester.

### Employee Benefits

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

The fiscal 2005 recommended amount for State PERS and TPAF is \$412.4 million, which includes \$192 million of post-retirement medical costs, \$9.8 million of post-retirement costs for TPAF, \$21.9 million of pension contribution costs for PFRS, \$116.1 million of pension contribution costs for the Alternate Benefits Program, and \$6.1 million of pension contribution costs for the Judicial Retirement System. Another \$3.8 million is appropriated for pension funds and other specially legislated

retirement provisions. Recommended appropriations for debt service payments on the pension obligation bonds total \$62.7 million in fiscal 2005.

The cost for health benefits, including medical, prescription drug, dental, and vision, for State and higher education employees in fiscal 2005 is projected at \$964.9 million. This is a net increase of \$64.4 million, or approximately 7.2%, above the fiscal 2004 adjusted appropriation of \$900.5 million. This growth reflects anticipated rate increases for all State health plans, due in large part to continued cost escalation in the health care industry.

### Salary Program

In fiscal 2005, \$157.8 million is recommended for Salary Increases and Other Benefits to cover fiscal 2005 employee increments, progressions and across-the-board raises for all eligible employees, along with any deferred costs for the same contracts.

### Other Key Initiatives

#### Cost-of-Living Increase – Third Party Providers

The Budget includes a recommendation to provide a third party Cost-of-Living (COLA) of 1%, totaling \$21.4 million, to nonprofit entities contracting with the Departments of Human Services (\$18.6 million), Health and Senior Services (\$2.5 million), Labor (\$200,000), and the Juvenile Justice Commission (\$200,000). These funds will allow providers to furnish the same level of service to their clients as in fiscal 2004.

#### State Commission on Investigation

The Fiscal 2005 Budget provides \$4.4 million to the State Commission on Investigation, which is a \$588,000 or 15% increase over the fiscal 2004 appropriation of \$3.8 million. This increased support provides the Commission the opportunity to further accomplish its mission to attack organized crime and political corruption, root out waste, fraud and abuse of taxpayers' dollars, shed light on matters that subvert public justice and public safety, and to recommend appropriate reforms and improvements in laws and in the operations of government.

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### Office of Faith Based Initiatives

The fiscal 2005 appropriation for the Office of Faith Based Initiatives is \$3 million, which is an increase of \$1 million or 50% over the fiscal 2004 appropriation of \$2 million. This increase will allow the Office of Faith Based Initiatives to expand its current grant programs. In fiscal 2004, funding was made available to 26 faith-based organizations to provide health, transportation, and job training services for youth, elderly, and ex-offenders.

### School Breakfast

Research indicates that eating breakfast helps children perform better scholastically and helps to combat poor nutrition and obesity. Under P.L. 2003, c. 4, which was enacted in January 2003, the State joined 25 other states in mandating that certain schools provide breakfast services to students. The program is scheduled for a two-year phase-in beginning September 2004. To accomplish this, a new appropriation of \$1.3 million is recommended in fiscal 2005 as incentive payments to approximately 318 schools where 20% or more of the students are eligible for a free or reduced price meal. An increase in participation of over 145,000 eligible students is expected during fiscal 2005. State support for school breakfasts leverages federal funds through the U.S. Department of Agriculture, generating a total of \$19 million on an annual basis to support the program.

### Lead Poisoning

On January 20, 2004, Governor McGreevey signed into law the "Lead Hazard Control Assistance Act," thereby establishing a comprehensive program to help eradicate lead contamination in residential housing. As a followup to that Act, the Budget includes \$9 million in new funding to address the risks of lead-based paint, including \$7 million to the Department of Community Affairs and \$2 million to the Department of Health and Senior Services. Children who are exposed to lead-based paint when they are very young are at risk of brain and central nervous system damage, lower intelligence, hyperactivity, attention deficit disorder, and possibly seizures, mental retardation, coma or even death. In New Jersey, at total of 5,230 children tested positive for lead-based paint exposure in 2003.

Currently, State resources are focused on screening children for lead poisoning and abatement, strategies that are intended to identify children who have been exposed to lead-based paint and to remove the source of the lead. To significantly reduce the number of

children who are lead poisoned, however, the State must also focus on prevention. Testing for the presence of lead-based paint in the home before a young child is exposed is a particularly effective method, especially in the homes of expectant mothers.

As a first step, DHSS will provide every expectant mother in New Jersey with a lead contamination sampling kit. The kit is designed for consumers, and contains all the supplies and instructions (including a pre-paid postage envelope to send the samples for testing) necessary to collect dust, paint, or soil samples. The kit will also include instructions for how parents can locate lead abatement and lead control information and resources.

In the Department of Community Affairs budget, \$7 million from the sales tax on paint is recommended for the Lead Hazard Control Assistance Fund. Beginning in fiscal 2005, 50 cents of the State sales tax on each container of paint will be set aside for this new Fund. The Lead Hazard Control Assistance Fund will provide loans and grants to homeowners for lead hazard control work, associated lead evaluation costs, and temporary relocation assistance. The Fund will also provide for public education on the prevention of lead poisoning.

### State Legal Services

An increase of \$2 million is recommended for the State Legal Services Office in fiscal 2005, providing 17% more than the fiscal 2004 grant appropriation of \$12 million. Due to a decline in trust fund-related resources attributable to the drop in interest rates, this increase is necessary to maintain staff and civil legal services for approximately 50,000 low income New Jersey residents.

### Sports Authority

By controlling its expenses and expanding the schedule of popular performers, the New Jersey Sports and Exposition Authority (NJSEA) has offset the need for any additional State funding for operating costs in fiscal 2005. In fact, fiscal 2005 will be the second consecutive year that no operating subsidy will be required, a trend that contrasts markedly with the \$11 to \$15 million annual appropriation formerly provided for this purpose from fiscal 1999 through fiscal 2002. The Authority fully expects to continue this practice in the future, due in part to the aggressive pursuit of additional

## SUMMARIES OF APPROPRIATIONS

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revenue opportunities, including the Xanadu redevelopment project at the Meadowlands Sports Complex. In addition to creating thousands of jobs, Xanadu will provide property tax relief to the people who live in the Meadowlands District. The Authority is also in the process of implementing a master plan for horse racing at the Meadowlands to encourage the growth of that vital industry.

### Women's Programs

The Department of Community Affairs' fiscal 2005 recommendation includes a number of increases to Women's programs, including Rape Prevention (\$500,000), Displaced Homemakers (\$300,000), the Office of the Prevention of Violence Against Women (\$200,000), and the Hispanic Women's Resource Center (\$100,000). In sum, this provides an increase totaling \$1.1 million for Women's programs in the department.

In the Department of Health and Senior Services, a new appropriation of \$5 million is recommended for Women's Health Awareness. These funds will be used to provide and coordinate outreach and education on the importance of primary and preventive care with particular emphasis on cancer, HIV/AIDS, autoimmune diseases, osteoporosis, arthritis, and heart disease. These education and outreach efforts will also focus on providing information about the diseases and access points for health care.

### Records Management

The New Jersey Public Records Preservation account was established within the Department of Treasury in accordance with P. L. 2003, c. 117. Monies received from county clerks that are attributable solely to the statutory increases to recording fees (e.g., \$5 per document or per page) are deposited in this account. Highlights include:

- Projected annual revenue for fiscal 2004 is \$70 million and the same amount is projected for fiscal 2005. Collections through the end of 2003 total \$36.5 million;
- Funding may be used by State or local government agencies to support the management, storage, and preservation of public records. Distribution will begin in fiscal 2005, by which time the Department of State's Division of Archives and Records Management (DARM) will have developed grant guidelines to govern this process;

- In fiscal 2005, DARM will receive an appropriation of \$2.1 million from this account, an increase of \$500k over its fiscal 2004 appropriation of \$1.6 million. An additional amount will be added through budget language, not to exceed \$3 million.

### Management Efficiencies

This Budget recommends a number of re-engineering projects with the primary goal of improving service delivery and constraining costs.

### Workers' Compensation

Authorizing language has been recommended in the Fiscal 2005 Budget establishing a gainsharing program in which the largest generators of workers' compensation claims among state agencies, namely the Departments of Human Services, Corrections, Law and Public Safety, and Transportation, would be given an opportunity to retain savings realized below the amount spent in fiscal 2004. This recommendation was derived based on a study by the Office of Management and Budget which concluded that a gainsharing approach, once combined with other management reforms, could help arrest the growth in claims and program costs in this area. The only stipulation on the use of any savings would be that they be applied for the purpose of improving worker safety and reducing workers' compensation costs.

### Local Savings – Energy Aggregation

Occasionally, a "good government" story at the State level can be expanded to drive down the cost of local government. Specifically, the State is uniquely positioned to help localities reduce the cost of power for government operations in our deregulated energy market. In recent years, the State successfully consolidated its own energy needs with that of New Jersey Transit, public colleges, and the toll road authorities to achieve the best possible price. The New Jersey Consolidated Energy Savings program locked in significant cost savings and long-term price predictability, with cost avoidance ranging up to 20 percent for electricity and up to 50% for natural gas during peak periods.

Pending legislation would authorize the State to extend this savings opportunity to counties and localities, who would participate on a voluntary basis in either an existing State contract or a separate

energy aggregation. By aggregating energy on behalf of localities, the State would enable towns to reduce their costs for energy consultants while benefiting from the State's existing energy expertise. By using the State as a rallying point, localities would wield far greater negotiating power, securing price concessions that they could never achieve individually.

### **Job Training Consolidation**

On January 13, 2004, Governor McGreevey issued Reorganization Plan Number 001-2004 entitled, "A Plan For the Transfer, Consolidation and Reorganization of the State's Workforce Development System Into the Department of Labor." This consolidation, which will now be considered by the Legislature, will restructure workforce development in New Jersey by consolidating the responsibility for all employment-directed and workforce development activities from the Departments of Human Services and Education to the Department of Labor. Pursuant to this consolidation and in separate legislation, the Department will seek to change its name and become the Department of Labor and Workforce Development. The Plan, which furthers ongoing efforts to improve services, increase efficiencies and meet today's workforce challenges, is not reflected in the Fiscal 2005 Budget as presented.

The consolidation includes all employment-directed and workforce development programs and activities of the Work First New Jersey Program (WFNJ) and Food Stamp Act (FSA), Adult Basic Education/English as a Second Language (ABE/ESL), Private Vocational School Approval, Apprenticeship Program, (including the Youth Transitions to Work Partnership Act (YTTWA)) and the Youth Corps Program.

### **Addiction Services Consolidation**

On February 5, 2004, the Governor issued Reorganization Plan Number 002-2004 entitled "A Plan for the Transfer, Consolidation and Reorganization of the Division of Addiction Services into the Department of Human Services". The plan will provide increased efficiency, coordination and integration of the State's addiction prevention and treatment functions by transferring the Division of Addiction Services from the Department of Health and Senior Services to the Department of Human Services. Pending approval by the Legislature, however, funding for the Division of Addiction Services remains under the Department of Health and Senior Services in the Fiscal 2005 Budget.

### **Vocational Rehabilitation - Federal Waiver**

As a result of a concerted effort by the Departments of Human Services, Labor, and Treasury, the federal government recently approved a Community Care Waiver that will provide an additional \$2 million in federal funds during fiscal 2005 for Vocational Rehabilitation in the Department of Labor. Many of Labor's Vocational Rehabilitation clients would be eligible for federal funding if they were served instead within Human Services' program for the disabled, a process that necessitated interagency coordination to pursue federal approval of this waiver. These new funds will be used to serve an additional 163 clients, an increase of 6% over the current 2,699 program slots, and to raise the cost reimbursement to third party providers.

### **Shared Services**

To help constrain administrative costs, including human resource needs, the Shared Services program will be expanded to additional departments in fiscal 2005. By consolidating administrative overhead, a savings of \$500,000 is anticipated.

### **Parole Board – Community Placement**

By expanding the use of alternative parole programs, a savings of \$3.1 million will be achieved in the Department of Corrections' budget in fiscal 2005. Alternative parole programs are designed to allow certain offenders, with the appropriate safeguards, an opportunity to be paroled in an environment which would concentrate services in the areas of the offenders' highest needs.

The number of slots in the Day Reporting program will increase by 100 (nearly 30%) from the current 350 to 450. Halfway Back program slots will increase by 10% or 45 slots, from 450 to 495 slots, and the Re-Entry Substance Abuse program will increase over 38% (42 slots) from the current 110 to 152.

### **Drug Court Program**

In fiscal 2005, the Judiciary will expand the Drug Court program by \$2.2 million, or 11.6%, from the fiscal 2004 adjusted appropriation of \$19 million to \$21.2 million. The increase is comprised of \$1.5 million for drug treatment services and \$700,000 operational needs such as drug testing kits and supplies.

## SUMMARIES OF APPROPRIATIONS

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Drug courts provide an alternative to incarceration through court-supervised treatment for carefully screened, non-violent offenders with addictions. The program is designed to break the cycle of drug-driven crime through treatment and close supervision of eligible offenders. Early performance data indicates that it is successful in reducing drug use and drug-driven crime. Intensive probation supervision, judicial monitoring, frequent drug testing and effective drug treatment all combine to break the cycle of drugs and crime for the offenders that participate. Currently, 10 of New Jersey's 15 court vicinages operate a drug court program, providing a capacity of 321 beds. The increase noted above will enable the Judiciary to expand the capacity of this innovative program.

### **Paperless Forms**

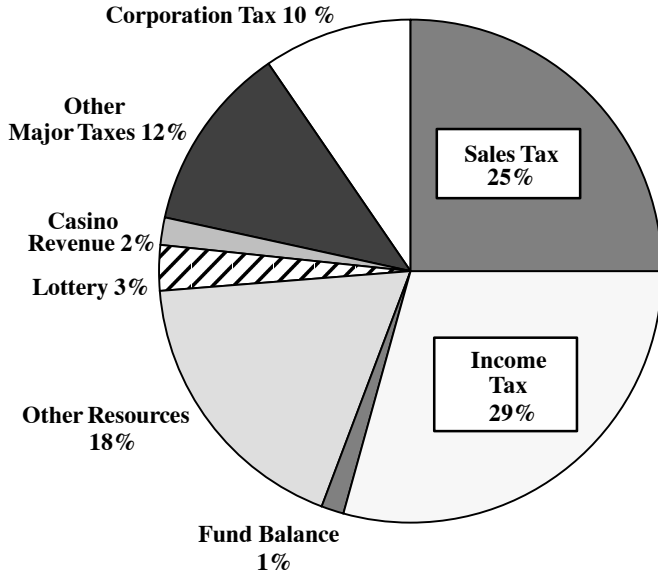
The Division of Taxation within the Department of Treasury anticipates a savings of nearly \$2 million in fiscal 2005 by accelerating its ongoing effort to convert to a "paperless" tax filing system. Improvements in technology and computer programming will provide alternate means of filing, resulting in reduced printing, postage, and processing

costs. New regulations mandate web/electronic filing and payment of Quarterly Employer (Form NJ-927) forms, as well as Business Entity reports. Electronic filing thresholds will be lowered for the Wage Report (Form WR-30), from 50 employees to 5 employees, and the threshold to pay taxes by electronic fund transfer will be lowered from \$20,000 to \$10,000. Due to the widespread availability of tax completion software, there is a diminished need for a full NJ-1040 packet, therefore the mailing of about 2.7 million postcards used to provide mailing labels and PIN numbers is eliminated. Due in part to the use of bar code processing, the annual mailing of 400,000 Corporation Business Tax booklets will be entirely eliminated, and the creation of a telefile system will enable the State to phase-out the annual mailing of sales tax returns and booklets.

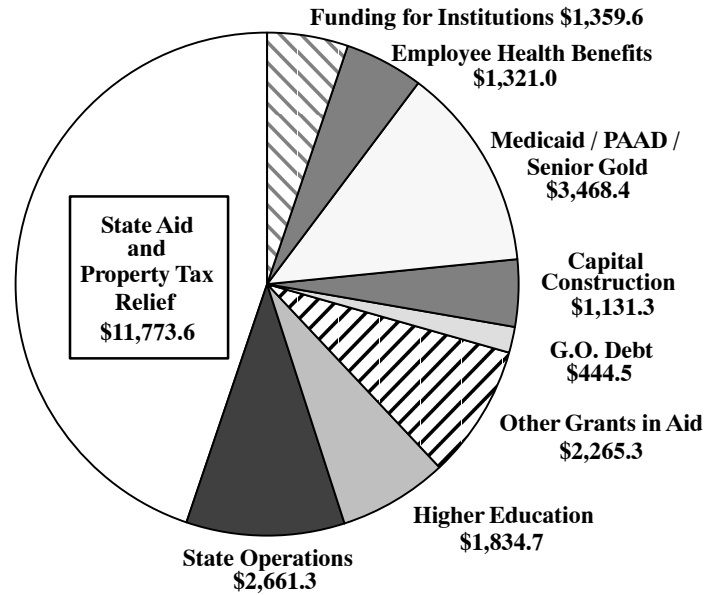
**SUMMARIES OF APPROPRIATIONS**

**RESOURCES AND RECOMMENDATIONS FOR FISCAL YEAR 2005  
ALL STATE FUNDS**

**Resources**



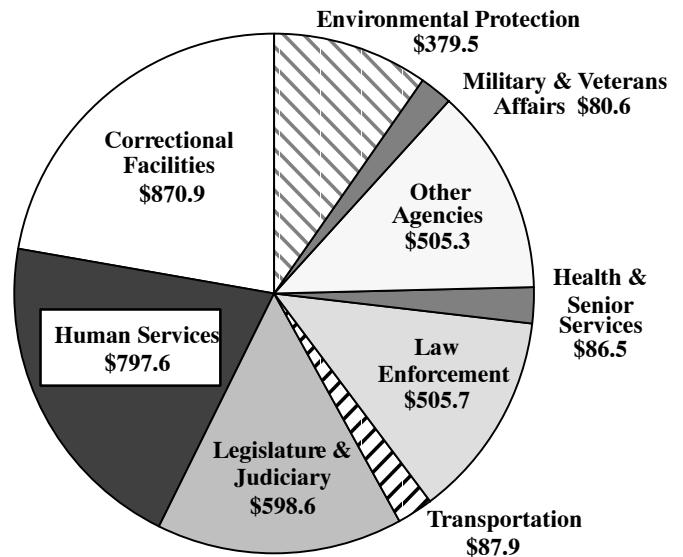
**Recommendations  
(In Millions)**



**RESOURCES  
(In Thousands)**

INCOME TAX .....	\$ 7,843,000
SALES TAX .....	6,575,000
CORPORATION and BANK TAX .....	2,547,240
LOTTERY REVENUE .....	795,000
CASINO REVENUE .....	478,880
<b>OTHER MAJOR TAXES:</b>	
Cigarette .....	\$ 708,000
Transfer Inheritance .....	572,000
Motor Fuels .....	549,000
Insurance Premium .....	473,000
Motor Vehicle Fees .....	323,094
Realty Transfer .....	275,000
Petroleum Products Gross Receipts .....	205,000
Alcoholic Beverage Excise .....	88,000
Tobacco Products Wholesale Sales .....	10,000
Public Utility Excise .....	8,700
<b>OTHER RESOURCES .....</b>	<b>\$ 4,806,708</b>
<b>SUB-TOTAL RESOURCES .....</b>	<b>\$ 26,257,622</b>
<b>ESTIMATED FUND BALANCE JULY 1, 2004</b>	
General Fund .....	\$ 400,000
Governatorial Elections Fund .....	2,206
<b>TOTAL .....</b>	<b>\$ 26,659,828</b>

**STATE OPERATIONS  
(In Millions)**





# SUMMARIES OF APPROPRIATIONS

**TABLE I**  
**SUMMARY OF FISCAL YEAR 2004–2005 APPROPRIATION RECOMMENDATION**  
(In Thousands)

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

	2004	2005	Change	
	Adjusted Approp.		Recommended	Dollar
<b>GENERAL FUND AND PROPERTY TAX RELIEF FUND</b>				
State Aid and Grants	\$ 17,138,572	\$ 18,520,167	\$ 1,381,595	% 8.1
<b>State Operations</b>				
Executive Branch	3,160,931	3,240,577	79,646	2.5
Legislature	71,906	72,494	588	0.8
Judiciary	523,964	526,073	2,109	0.4
Interdepartmental	1,557,152	1,773,213	216,061	13.9
<b>Total State Operations</b>	\$ 5,313,953	\$ 5,612,357	\$ 298,404	% 5.6
Capital Construction	1,136,428	1,131,349	(5,079)	(0.4)
Debt Service	442,481	444,505	2,024	0.5
<b>TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND</b>				
	\$ 24,031,434	\$ 25,708,378	\$ 1,676,944	% 7.0
CASINO REVENUE FUND	447,200	478,880	31,680	7.1
CASINO CONTROL FUND	63,700	63,700	0	0.0
GUBERNATORIAL ELECTIONS FUND	0	8,870	8,870	0.0
<b>GRAND TOTAL STATE APPROPRIATIONS</b>	\$ 24,542,334	\$ 26,259,828	\$ 1,717,494	% 7.0

**TABLE II**  
**SUMMARY OF FISCAL YEAR 2004–05 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, 2003					Year Ending June 30, 2005		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2004 Adjusted Approp.	Requested	Recommended
<b>General Fund</b>							
5,065,520	379,077	156,854	5,601,451	5,308,098	5,313,953	5,613,576	5,612,357
6,148,312	282,050	194,136	6,624,498	6,432,728	6,241,139	7,303,429	7,115,799
3,289,666	159,027	-220,280	3,228,413	3,126,137	3,740,663	3,592,783	3,561,368
1,021,951	244,977	-22,187	1,244,741	1,075,358	1,136,428	1,131,349	1,131,349
470,675	—	-40,284	430,391	430,384	442,481	444,505	444,505
<b>15,996,124</b>	<b>1,065,131</b>	<b>68,239</b>	<b>17,129,494</b>	<b>16,372,705</b>	<b>16,874,664</b>	<b>18,085,642</b>	<b>17,865,378</b>
<b>Property Tax Relief Fund</b>					<b>7,156,770</b>	<b>7,843,000</b>	<b>7,843,000</b>
<b>7,302,747</b>	<b>8,618</b>	<b>-39,847</b>	<b>7,271,518</b>	<b>7,195,395</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>
<b>62,737</b>	<b>1,541</b>	<b>—</b>	<b>64,278</b>	<b>60,753</b>	<b>447,200</b>	<b>478,880</b>	<b>478,880</b>
<b>364,800</b>	<b>73,575</b>	<b>—</b>	<b>438,375</b>	<b>437,055</b>	<b>—</b>	<b>8,870</b>	<b>8,870</b>
<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>23,726,408</b>	<b>1,148,865</b>	<b>28,392</b>	<b>24,903,665</b>	<b>24,065,908</b>	<b>24,542,334</b>	<b>26,480,092</b>	<b>26,259,828</b>
<b>GRAND TOTAL STATE APPROPRIATIONS</b>					<b>24,542,334</b>	<b>26,480,092</b>	<b>26,259,828</b>

# SUMMARIES OF APPROPRIATIONS

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

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

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
<b><u>DIRECT STATE SERVICES</u></b>								
<b>Legislative Branch</b>								
11,167	2,218	—	13,385	11,222	Senate	11,494	11,494	11,494
17,511	2,643	280	20,434	18,173	General Assembly	18,905	18,905	18,905
27,966	2,545	-320	30,191	29,514	Legislative Support Services	27,388	27,388	27,388
15,694	4,280	—	19,974	14,523	Legislative Commission	14,119	14,737	14,707
<b>72,338</b>	<b>11,686</b>	<b>-40</b>	<b>83,984</b>	<b>73,432</b>	<b>Total Legislative Branch</b>	<b>71,906</b>	<b>72,524</b>	<b>72,494</b>
<b>Executive Branch</b>								
5,424	1,040	—	6,464	5,707	Chief Executive	5,367	5,267	5,267
10,665	1,432	-525	11,572	11,157	Department of Agriculture	9,442	9,123	9,123
68,123	4,051	—	72,174	66,010	Department of Banking and Insurance	68,589	66,703	66,703
37,679	16,375	-5,408	48,646	44,660	Department of Community Affairs	35,860	34,456	34,456
772,228	879	63,466	836,573	833,605	Department of Corrections	848,055	870,928	870,928
56,415	3,476	7,731	67,622	57,731	Department of Education	62,133	59,059	59,059
212,720	33,859	2,567	249,146	234,645	Department of Environmental Protection	212,825	212,057	212,057
98,579	7,092	26,015	131,686	127,754	Department of Health and Senior Services	77,211	86,545	86,545
97,708	7,080	25,965	130,753	126,846	(From General Fund)	76,340	85,674	85,674
871	12	50	933	908	(From Casino Revenue Fund)	871	871	871
633,919	11,086	46,498	691,503	671,956	Department of Human Services	705,650	797,623	797,623
60,225	26,545	296	87,066	81,111	Department of Labor and Workforce Development	60,472	60,171	60,171
452,053	127,462	30,426	609,941	527,543	Department of Law and Public Safety	506,424	514,613	514,613
416,162	127,221	30,426	573,809	492,378	(From General Fund)	470,533	469,852	469,852
35,799	240	—	36,039	35,079	(From Casino Control Fund)	35,799	35,799	35,799
92	1	—	93	86	(From Casino Revenue Fund)	92	92	92
—	—	—	—	—	(From Gubernatorial Election Fund)	—	8,870	8,870
69,374	4,245	2,631	76,250	75,174	Department of Military and Veterans' Affairs	78,224	80,641	80,641
26,587	4,993	—	31,580	28,756	Department of Personnel	26,103	25,448	25,448
24,205	2,727	546	27,478	24,202	Department of State	23,247	23,886	22,697
245,193	10,238	21,646	277,077	272,270	Department of Transportation	106,242	87,907	87,907
399,971	62,577	-3,536	459,012	414,232	Department of the Treasury	398,377	379,499	379,499
373,033	61,276	-3,536	430,773	388,558	(From General Fund)	370,476	351,598	351,598
26,938	1,301	—	28,239	25,674	(From Casino Control Fund)	27,901	27,901	27,901
1,392	60	—	1,452	1,417	Miscellaneous Commissions	1,373	1,373	1,373
<b>3,174,752</b>	<b>318,137</b>	<b>192,353</b>	<b>3,685,242</b>	<b>3,477,930</b>	<b>Total Executive Branch</b>	<b>3,225,594</b>	<b>3,315,299</b>	<b>3,314,110</b>
3,111,052	316,583	192,303	3,619,938	3,416,183	(From General Fund)	3,160,931	3,241,766	3,240,577
62,737	1,541	—	64,278	60,753	(From Casino Control Fund)	63,700	63,700	63,700
963	13	50	1,026	994	(From Casino Revenue Fund)	963	963	963
—	—	—	—	—	(From Gubernatorial Election Fund)	—	8,870	8,870

# SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2003				2004 Adjusted Approp.	Year Ending June 30, 2005		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		Requested	Recom- mended	
<b><u>DIRECT STATE SERVICES</u></b>								
<b>Inter-Departmental Accounts</b>								
147,226	5,011	—	152,237	148,296	Property Rentals	150,226	148,432	148,432
63,855	5,567	—	69,422	69,051	Insurance and Other Services	82,990	80,411	80,411
963,154	1,707	65,030	1,029,891	1,029,212	Employee Benefits	1,231,298	1,325,736	1,325,736
87,078	—	-35,645	51,433	37,047	Other Inter-Departmental Accounts	52,820	55,469	55,469
106,729	25,496	-52,373	79,852	29,728	Salary Increases and Other Benefits	11,000	134,080	134,080
26,416	2,109	—	28,525	27,434	Utilities and Other Services	28,818	29,085	29,085
<b>1,394,458</b>	<b>39,890</b>	<b>-22,988</b>	<b>1,411,360</b>	<b>1,340,768</b>	<b>Total Inter-Departmental Accounts</b>	<b>1,557,152</b>	<b>1,773,213</b>	<b>1,773,213</b>
<b>Judicial Branch</b>								
487,672	10,918	-12,421	486,169	477,715	The Judiciary	523,964	526,073	526,073
<b>487,672</b>	<b>10,918</b>	<b>-12,421</b>	<b>486,169</b>	<b>477,715</b>	<b>Total Judicial Branch</b>	<b>523,964</b>	<b>526,073</b>	<b>526,073</b>
<b>5,129,220</b>	<b>380,631</b>	<b>156,904</b>	<b>5,666,755</b>	<b>5,369,845</b>	<b>Total Direct State Services</b>	<b>5,378,616</b>	<b>5,687,109</b>	<b>5,685,890</b>
5,065,520	379,077	156,854	5,601,451	5,308,098	(From General Fund)	5,313,953	5,613,576	5,612,357
62,737	1,541	—	64,278	60,753	(From Casino Control Fund)	63,700	63,700	63,700
963	13	50	1,026	994	(From Casino Revenue Fund)	963	963	963
—	—	—	—	—	(From Gubernatorial Election Fund)	—	8,870	8,870
<b><u>GRANTS-IN-AID</u></b>								
<b>Executive Branch</b>								
1,909	309	-375	1,843	1,731	Department of Agriculture	436	1,255	1,255
33,791	9,345	1,361	44,497	41,656	Department of Community Affairs	36,865	32,865	32,865
82,630	10,498	-3,800	89,328	84,305	Department of Corrections	87,113	97,046	97,046
20,015	—	-9,000	11,015	9,377	Department of Education	9,443	11,269	11,269
5,500	1,544	2,046	9,090	8,040	Department of Environmental Protection	9,250	6,250	6,250
885,270	109,314	286,421	1,281,005	1,175,447	Department of Health and Senior Services	1,002,493	1,475,831	1,475,831
606,845	35,752	286,471	929,068	824,694	(From General Fund)	702,891	1,144,378	1,144,378
278,425	73,562	-50	351,937	350,753	(From Casino Revenue Fund)	299,602	331,453	331,453
3,228,202	198,576	-42,901	3,383,877	3,363,801	Department of Human Services	3,347,383	3,526,946	3,526,946
3,204,833	198,576	-42,901	3,360,508	3,340,536	(From General Fund)	3,228,646	3,408,209	3,408,209
23,369	—	—	23,369	23,265	(From Casino Revenue Fund)	118,737	118,737	118,737
35,219	—	675	35,894	35,846	Department of Labor and Workforce Development	33,719	34,001	34,001
32,779	—	675	33,454	33,406	(From General Fund)	31,279	31,561	31,561
2,440	—	—	2,440	2,440	(From Casino Revenue Fund)	2,440	2,440	2,440
19,822	—	—	19,822	19,522	Department of Law and Public Safety	18,822	18,984	18,984
1,044	114	—	1,158	1,026	Department of Military and Veterans' Affairs	1,044	1,044	1,044
1,141,588	2,633	-21,332	1,122,889	1,079,202	Department of State	1,090,689	1,306,842	1,124,996
269,027	2,002	-3,282	267,747	264,704	Department of Transportation	193,827	278,700	278,700
1,436,977	21,356	-17,937	1,440,396	1,375,092	Department of the Treasury	1,076,333	1,099,106	1,093,322
185,837	21,275	-17,937	189,175	181,929	(From General Fund)	211,022	233,795	228,011
1,216,471	192	—	1,216,663	1,158,494	(From Property Tax Relief Fund)	865,311	865,311	865,311
34,669	—	—	34,669	34,669	(From Casino Revenue Fund)	—	—	—

## SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
<b>GRANTS-IN-AID</b>								
7,160,994	355,802	191,876	7,708,672	7,459,749	<b>Total Executive Branch</b>	6,907,417	7,890,139	7,702,509
5,605,620	282,048	191,926	6,079,594	5,890,128	(From General Fund)	5,621,327	6,572,198	6,384,568
1,216,471	192	—	1,216,663	1,158,494	(From Property Tax Relief Fund)	865,311	865,311	865,311
338,903	73,562	-50	412,415	411,127	(From Casino Revenue Fund)	420,779	452,630	452,630
<b>Inter-Departmental Accounts</b>								
480,739	2	3,410	484,151	482,053	Employee Benefits	554,517	599,129	599,129
200	—	-200	—	—	Other Inter-Departmental Accounts	200	14,925	14,925
—	—	—	—	—	Salary Increases and Other Benefits	—	31,158	31,158
61,753	—	-1,000	60,753	60,547	Aid to Independent Authorities	65,095	86,019	86,019
<b>542,692</b>	<b>2</b>	<b>2,210</b>	<b>544,904</b>	<b>542,600</b>	<b>Total Inter-Departmental Accounts</b>	<b>619,812</b>	<b>731,231</b>	<b>731,231</b>
<b>Total Grants-in-Aid</b>								
7,703,686	355,804	194,086	8,253,576	8,002,349	(From General Fund)	7,527,229	8,621,370	8,433,740
6,148,312	282,050	194,136	6,624,498	6,432,728	(From Property Tax Relief Fund)	6,241,139	7,303,429	7,115,799
1,216,471	192	—	1,216,663	1,158,494	(From Casino Revenue Fund)	865,311	865,311	865,311
338,903	73,562	-50	412,415	411,127		420,779	452,630	452,630
<b>STATE AID</b>								
<b>Executive Branch</b>								
8,642	354	-2	8,994	8,994	Department of Agriculture	8,642	9,968	9,968
985,811	67,279	-39,754	1,013,336	952,455	Department of Community Affairs	980,065	979,265	979,265
18,042	67,279	—	85,321	24,780	(From General Fund)	54,996	53,196	53,196
967,769	—	-39,754	928,015	927,675	(From Property Tax Relief Fund)	925,069	926,069	926,069
7,625,323	71,841	-244,018	7,453,146	7,429,316	Department of Education	8,211,952	8,657,313	8,657,313
2,659,086	68,940	-243,918	2,484,108	2,473,259	(From General Fund)	3,015,823	2,778,027	2,778,027
4,966,237	2,901	-100	4,969,038	4,956,057	(From Property Tax Relief Fund)	5,196,129	5,879,286	5,879,286
14,859	15,531	39	30,429	30,153	Department of Environmental Protection	14,711	17,011	17,011
4,406	15,531	39	19,976	19,974	(From General Fund)	4,258	9,011	9,011
10,453	—	—	10,453	10,179	(From Property Tax Relief Fund)	10,453	8,000	8,000
50,969	—	-88	50,881	50,024	Department of Health and Senior Services	58,454	68,954	68,954
283,352	6,923	22,876	313,151	300,990	Department of Human Services	300,722	338,210	338,210
14,872	—	2,031	16,903	8,291	Department of Law and Public Safety	15,109	4,820	4,820
16,931	—	-1,218	15,713	15,589	Department of State	16,827	24,742	16,827
24,934	—	—	24,934	24,934	Department of Transportation	25,458	25,287	25,287
24,934	—	—	24,934	24,934	(From Casino Revenue Fund)	25,458	25,287	25,287
375,183	5,525	7	380,715	367,226	Department of the Treasury	425,640	470,189	446,689
233,366	—	—	233,366	224,236	(From General Fund)	265,832	305,855	282,355
141,817	5,525	7	147,349	142,990	(From Property Tax Relief Fund)	159,808	164,334	164,334
<b>9,400,876</b>	<b>167,453</b>	<b>-260,127</b>	<b>9,308,202</b>	<b>9,187,972</b>	<b>Total Executive Branch</b>	<b>10,057,580</b>	<b>10,595,759</b>	<b>10,564,344</b>
3,289,666	159,027	-220,280	3,228,413	3,126,137	(From General Fund)	3,740,663	3,592,783	3,561,368
6,086,276	8,426	-39,847	6,054,855	6,036,901	(From Property Tax Relief Fund)	6,291,459	6,977,689	6,977,689
24,934	—	—	24,934	24,934	(From Casino Revenue Fund)	25,458	25,287	25,287
<b>Total State Aid</b>								
9,400,876	167,453	-260,127	9,308,202	9,187,972	(From General Fund)	10,057,580	10,595,759	10,564,344
3,289,666	159,027	-220,280	3,228,413	3,126,137	(From Property Tax Relief Fund)	3,740,663	3,592,783	3,561,368
6,086,276	8,426	-39,847	6,054,855	6,036,901	(From Casino Revenue Fund)	6,291,459	6,977,689	6,977,689
24,934	—	—	24,934	24,934		25,458	25,287	25,287

# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2004 Adjusted Approp.	Requested	Recommended
<b>CAPITAL CONSTRUCTION</b>							
<b>Legislative Branch</b>							
—	406	—	406	309	—	—	—
—	<b>406</b>	—	<b>406</b>	<b>309</b>	—	—	—
<b>Executive Branch</b>							
—	12	5,129	5,141	—	—	—	—
2,900	25,073	-1,116	26,857	13,557	—	—	—
400	1,866	-1	2,265	811	—	—	—
80,745	75,580	-2,626	153,699	91,239	126,464	128,273	128,273
650	797	—	1,447	1,144	620	—	—
7,500	26,037	—	33,537	9,107	5,600	10,400	10,400
7,828	21,843	—	29,671	10,009	4,346	—	—
1,779	16,146	—	17,925	16,240	165	2,127	2,127
—	6	—	6	4	—	—	—
—	6,156	—	6,156	1,422	—	—	—
745,000	4,765	—	749,765	749,230	805,000	805,000	805,000
5,500	7,711	2,746	15,957	10,014	—	—	—
—	2	—	2	—	—	—	—
<b>852,302</b>	<b>185,994</b>	<b>4,132</b>	<b>1,042,428</b>	<b>902,777</b>	<b>942,195</b>	<b>945,800</b>	<b>945,800</b>
<b>Inter-Departmental Accounts</b>							
169,649	58,577	-26,319	201,907	172,272	194,233	185,549	185,549
<b>169,649</b>	<b>58,577</b>	<b>-26,319</b>	<b>201,907</b>	<b>172,272</b>	<b>194,233</b>	<b>185,549</b>	<b>185,549</b>
<b>1,021,951</b>	<b>244,977</b>	<b>-22,187</b>	<b>1,244,741</b>	<b>1,075,358</b>	<b>1,136,428</b>	<b>1,131,349</b>	<b>1,131,349</b>
<b>DEBT SERVICE</b>							
<b>Executive Branch</b>							
76,833	—	2	76,835	76,832	68,053	63,240	63,240
393,842	—	-40,286	353,556	353,552	374,428	381,265	381,265
<b>470,675</b>	<b>—</b>	<b>-40,284</b>	<b>430,391</b>	<b>430,384</b>	<b>442,481</b>	<b>444,505</b>	<b>444,505</b>
<b>470,675</b>	<b>—</b>	<b>-40,284</b>	<b>430,391</b>	<b>430,384</b>	<b>442,481</b>	<b>444,505</b>	<b>444,505</b>
<b>23,726,408</b>	<b>1,148,865</b>	<b>28,392</b>	<b>24,903,665</b>	<b>24,065,908</b>	<b>24,542,334</b>	<b>26,480,092</b>	<b>26,259,828</b>
<b>GRAND TOTAL-STATE APPROPRIATIONS</b>							
15,996,124	1,065,131	68,239	17,129,494	16,372,705	16,874,664	18,085,642	17,865,378
62,737	1,541	—	64,278	60,753	63,700	63,700	63,700
7,302,747	8,618	-39,847	7,271,518	7,195,395	7,156,770	7,843,000	7,843,000
364,800	73,575	—	438,375	437,055	447,200	478,880	478,880
—	—	—	—	—	—	8,870	8,870
					(From General Fund)		
					(From Casino Control Fund)		
					(From Property Tax Relief Fund)		
					(From Casino Revenue Fund)		
					(From Gubernatorial Election Fund)		

# SUMMARIES OF APPROPRIATIONS

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

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

	2003 Expenditures	2004 Adjusted Appropriation	2005 Requested	2005 Recom- mended
<b>General Fund—</b>				
Direct State Services—				
Personal Services .....	2,649,467	2,540,894	2,657,432	2,656,566
Materials and Supplies .....	201,514	202,869	201,741	201,617
Services Other Than Personal .....	415,619	398,410	390,211	390,127
Maintenance and Fixed Charges .....	239,154	237,271	216,202	216,111
Improvements and Equipment .....	48,667	38,881	31,237	31,213
Employee Pension and Health Benefits .....	1,029,212	1,231,298	1,325,736	1,325,736
Human Services Programs .....	31,278	70,781	178,862	178,862
Other .....	693,187	593,549	612,125	660,544
<i>Total Direct State Services</i> .....	<u>5,308,098</u>	<u>5,313,953</u>	<u>5,613,576</u>	<u>5,612,357</u>
Grants-in-Aid—				
Employee Pension and Health Benefits .....	482,053	554,517	599,129	599,129
Rutgers, The State University .....	317,793	317,211	355,120	311,961
University of Medicine and Dentistry of New Jersey .....	161,637	182,242	196,587	182,842
New Jersey Institute of Technology .....	50,221	48,790	67,221	48,690
State Colleges .....	275,775	270,882	370,356	270,782
Other Higher Education Programs .....	77,525	86,038	95,356	95,024
Transit Subsidy .....	260,635	193,827	278,700	278,700
Student Aid—Scholarships and Grants .....	223,380	240,071	277,425	270,588
Support of Independent Higher Education Institutions .....	25,663	24,159	30,111	24,659
Correctional Facilities .....	84,305	87,113	97,046	97,046
Support of the Arts .....	20,447	18,930	25,830	25,830
Income Maintenance Management .....	237,202	271,498	248,777	248,777
Medicaid and Pharmaceutical Assistance to the Aged and Disabled .....	2,679,900	2,484,620	2,963,102	2,963,102
Youth and Family Services .....	247,489	237,887	229,131	229,131
Services for the Developmentally Disabled .....	420,138	389,383	420,133	420,133
Mental Health Services .....	214,085	212,001	210,517	210,517
Drug Abuse and AIDS Control .....	54,470	45,108	48,262	48,262
Other Human Service Programs .....	172,822	115,408	145,212	145,212
Other .....	427,188	460,854	645,414	645,414
<i>Total Grants-in-Aid</i> .....	<u>6,432,728</u>	<u>6,241,139</u>	<u>7,303,429</u>	<u>7,115,799</u>
State Aid—				
Educational .....	2,644,966	3,219,676	3,008,274	2,984,844
Welfare .....	211,926	207,212	244,700	244,700
Health .....	139,088	151,964	162,464	162,464
Payment to Counties and Municipalities .....	91,959	125,485	119,787	119,787
Other .....	24,752	23,649	45,570	45,570
Non State Funds .....	13,446	12,677	11,988	4,003
<i>Total State Aid</i> .....	<u>3,126,137</u>	<u>3,740,663</u>	<u>3,592,783</u>	<u>3,561,368</u>

# SUMMARIES OF APPROPRIATIONS

	2003 Expenditures	2004 Adjusted Appropriation	2005 Requested	2005 Recom- mended
<b>Capital Construction—</b>				
Transportation .....	745,041	805,000	805,000	805,000
Environmental .....	91,198	126,464	128,273	128,273
Educational .....	811	—	—	—
Institutional .....	22,664	5,600	10,400	10,400
All Other .....	211,414	199,364	187,676	187,676
Non State Funds .....	4,230	—	—	—
<i>Total Capital Construction</i> .....	<u>1,075,358</u>	<u>1,136,428</u>	<u>1,131,349</u>	<u>1,131,349</u>
<b>Debt Service—</b>				
Principal .....	260,845	277,070	267,145	267,145
Interest .....	169,539	165,411	177,360	177,360
<i>Total Debt Service</i> .....	<u>430,384</u>	<u>442,481</u>	<u>444,505</u>	<u>444,505</u>
<i>Total General Fund</i> .....	<u>16,372,705</u>	<u>16,874,664</u>	<u>18,085,642</u>	<u>17,865,378</u>
<b>Property Tax Relief Fund—</b>				
Homestead Rebates .....	527,718	540,663	565,663	565,663
Direct School Tax Relief .....	630,776	324,648	299,648	299,648
Educational .....	4,956,057	5,196,129	5,879,286	5,879,286
Payments to Municipalities .....	1,080,844	1,095,330	1,098,403	1,098,403
<i>Total Property Tax Relief Fund</i> .....	<u>7,195,395</u>	<u>7,156,770</u>	<u>7,843,000</u>	<u>7,843,000</u>
<b>Casino Control Fund – Direct State Services—</b>				
Enforcement .....	35,079	35,799	35,799	35,799
Administration .....	25,674	27,901	27,901	27,901
<i>Total Casino Control Fund – Direct State Services</i> .....	<u>60,753</u>	<u>63,700</u>	<u>63,700</u>	<u>63,700</u>
<b>Casino Revenue Fund—</b>				
Programs for Senior Citizens and the Disabled .....	437,055	447,200	478,880	478,880
<i>Total Casino Revenue Fund</i> .....	<u>437,055</u>	<u>447,200</u>	<u>478,880</u>	<u>478,880</u>
<b>Gubernatorial Elections Fund – Direct State Services—</b>				
Public Financing of Gubernatorial General Election .....	—	—	8,870	8,870
<i>Total Gubernatorial Elections Fund – Direct State Services</i> .....	<u>—</u>	<u>—</u>	<u>8,870</u>	<u>8,870</u>
<b>GRAND TOTAL STATE APPROPRIATIONS</b> .....	<u>24,065,908</u>	<u>24,542,334</u>	<u>26,480,092</u>	<u>26,259,828</u>

# SUMMARIES OF APPROPRIATIONS

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

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

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
<b>GENERAL FUND</b>								
<b>Direct State Services</b>								
<b>10. Public Safety and Criminal Justice</b>								
140,395	6,950	3,040	150,385	148,101	11. Vehicular Safety	—	—	—
257,517	18,322	25,083	300,922	294,240	12. Law Enforcement	298,181	298,359	298,359
6,156	5,182	-1	11,337	11,071	13. Special Law Enforcement Activities	7,517	7,287	7,287
13,589	2,961	418	16,968	16,154	14. Military Services	16,741	16,741	16,741
487,672	10,918	-12,421	486,169	477,715	15. Judicial Services	523,964	526,073	526,073
700,642	602	60,742	761,986	760,361	16. Detention and Rehabilitation	773,652	795,054	795,054
52,786	277	1,293	54,356	53,014	17. Parole	55,692	58,163	58,163
80,479	1	5,387	85,867	85,781	18. Juvenile Services	84,972	85,146	85,146
30,878	—	1,371	32,249	32,183	19. Central Planning, Direction and Management	34,380	32,980	32,980
1,770,114	45,213	84,912	1,900,239	1,878,620	Total Appropriation	1,795,099	1,819,803	1,819,803
<b>20. Physical and Mental Health</b>								
71,734	1,763	16,924	90,421	88,253	21. Health Services	48,899	57,650	57,650
6,304	4,840	-3,947	7,197	7,149	22. Health Planning and Evaluation	5,134	6,074	6,074
240,451	636	30,916	272,003	271,607	23. Mental Health Services	257,548	254,511	254,511
25,734	3,653	1,973	31,360	22,189	24. Special Health Services	26,853	23,592	23,592
5,407	15	2,766	8,188	7,969	25. Health Administration	5,738	5,688	5,688
14,263	462	10,222	24,947	23,475	26. Senior Services	16,569	16,262	16,262
965	—	-217	748	748	27. Disability Services	984	984	984
364,858	11,369	58,637	434,864	421,390	Total Appropriation	361,725	364,761	364,761
<b>30. Educational, Cultural and Intellectual Development</b>								
642	—	—	642	640	31. Direct Educational Services and Assistance	664	664	664
229,290	161	102	229,553	229,217	32. Operation and Support of Edu. Institutions	239,401	231,276	231,276
8,322	1,015	-1,000	8,337	8,027	33. Supplemental Education and Training Programs	8,612	8,612	8,612
38,145	3,458	7,660	49,263	39,448	34. Educational Support Services	42,105	39,609	39,609
14,370	18	71	14,459	14,408	35. Education Administration and Management	16,188	15,610	15,610
3,709	3	270	3,982	3,743	36. Higher Educational Services	3,659	3,859	3,659
14,773	1,715	-51	16,437	14,311	37. Cultural and Intellectual Development Services	14,021	14,010	13,021
309,251	6,370	7,052	322,673	309,794	Total Appropriation	324,650	313,640	312,451
<b>40. Community Development and Environmental Management</b>								
23,423	15,942	-3,515	35,850	32,706	41. Community Development Management	23,583	22,552	22,552
65,213	3,676	1,745	70,634	69,359	42. Natural Resource Management	60,857	60,610	60,610
34,092	10,519	-1,264	43,347	34,796	43. Science and Technical Programs	34,637	35,351	35,351
43,182	17,374	-310	60,246	57,040	44. Site Remediation and Waste Management	45,983	46,203	46,203
33,622	1,789	-627	34,784	33,352	45. Environmental Regulation	33,323	33,757	33,757
20,298	7	2,605	22,910	22,910	46. Environmental Planning and Administration	20,011	19,520	19,520
17,568	494	418	18,480	18,443	47. Compliance and Enforcement	19,254	17,856	17,856
10,665	1,432	-525	11,572	11,157	49. Agricultural Resources, Planning, and Regulation	9,442	9,123	9,123
248,063	51,233	-1,473	297,823	279,763	Total Appropriation	247,090	244,972	244,972



# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
					<b>50. Economic Planning, Development and Security</b>			
3,329	618	385	4,332	3,678	51. Economic Planning and Development	3,402	3,522	3,522
96,506	10,826	-1,741	105,591	95,205	52. Economic Regulation	97,616	95,515	95,515
72,793	17,992	-2,196	88,589	81,649	53. Economic Assistance and Security	68,401	65,424	65,424
21,094	13,451	521	35,066	31,875	54. Manpower and Employment Services	20,433	20,132	20,132
69,831	—	16,427	86,258	86,258	55. Social Services Programs	115,366	225,566	225,566
263,553	42,887	13,396	319,836	298,665	Total Appropriation	305,218	410,159	410,159
					<b>60. Transportation Programs</b>			
94,068	3,231	17,976	115,275	112,822	61. State and Local Highway Facilities	100,633	82,498	82,498
10,730	57	630	11,417	11,347	64. Regulation and General Management	5,609	5,409	5,409
104,798	3,288	18,606	126,692	124,169	Total Appropriation	106,242	87,907	87,907
					<b>70. Government Direction, Management and Control</b>			
56,644	7,406	-40	64,010	58,909	71. Legislative Activities	57,787	57,787	57,787
21,211	11,090	-2,167	30,134	29,599	72. Governmental Review and Oversight	20,316	20,215	20,215
161,937	25,447	-870	186,514	165,495	73. Financial Administration	162,116	148,905	148,905
1,512,743	61,495	-22,290	1,551,948	1,463,088	74. General Government Services	1,676,469	1,887,067	1,887,067
6,015	432	-1,662	4,785	4,505	75. State Subsidies and Financial Aid	4,718	4,518	4,518
51,962	3,023	3,582	58,567	52,188	76. Management and Administration	53,962	52,542	52,542
15,694	4,280	—	19,974	14,523	77. Legislative Commissions and Committees	14,119	14,737	14,707
1,826,206	113,173	-23,447	1,915,932	1,788,307	Total Appropriation	1,989,487	2,185,771	2,185,741
					<b>80. Special Government Services</b>			
122,892	104,260	-3,042	224,110	148,370	82. Protection of Citizens' Rights	122,959	122,663	122,663
55,785	1,284	2,213	59,282	59,020	83. Services to Veterans	61,483	63,900	63,900
178,677	105,544	-829	283,392	207,390	Total Appropriation	184,442	186,563	186,563
5,065,520	379,077	156,854	5,601,451	5,308,098	Total Direct State Services	5,313,953	5,613,576	5,612,357
					<b>Grants-in-Aid</b>			
					<b>10. Public Safety and Criminal Justice</b>			
1,565	—	—	1,565	1,265	12. Law Enforcement	565	565	565
35	—	—	35	35	14. Military Services	35	35	35
81,935	9,886	-3,800	88,021	82,998	16. Detention and Rehabilitation	81,377	75,030	75,030
695	612	—	1,307	1,307	17. Parole	5,736	22,016	22,016
18,257	—	—	18,257	18,257	18. Juvenile Services	18,257	18,419	18,419
102,487	10,498	-3,800	109,185	103,862	Total Appropriation	105,970	116,065	116,065
					<b>20. Physical and Mental Health</b>			
89,884	87	3,448	93,419	93,041	21. Health Services	87,548	91,055	91,055
28,116	—	—	28,116	28,116	22. Health Planning and Evaluation	73,269	180,725	180,725
233,694	30	-4,589	229,135	226,827	23. Mental Health Services	234,751	240,492	240,492
1,846,584	184,103	29,848	2,060,535	2,048,800	24. Special Health Services	2,002,469	2,154,439	2,154,439
488,845	35,665	283,023	807,533	703,537	26. Senior Services	542,074	872,598	872,598
148,257	—	-726	147,531	147,531	27. Disability Services	80,772	88,747	88,747
2,835,380	219,885	311,004	3,366,269	3,247,852	Total Appropriation	3,020,883	3,628,056	3,628,056

## SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
					<b>30. Educational, Cultural and Intellectual Development</b>			
421,101	—	—	421,101	420,138	32. Operation and Support of Edu. Institutions	389,383	420,133	420,133
4,456	—	—	4,456	4,456	33. Supplemental Education and Training Programs	4,178	4,178	4,178
20,015	—	-9,000	11,015	9,377	34. Educational Support Services	9,443	11,269	11,269
1,201,893	21,298	-42,568	1,180,623	1,131,920	36. Higher Educational Services	1,169,891	1,392,074	1,204,444
25,602	3	-316	25,289	25,287	37. Cultural and Intellectual Development Services	22,532	30,552	30,552
<hr/>					Total Appropriation	1,595,427	1,858,206	1,670,576
1,673,067	21,301	-51,884	1,642,484	1,591,178				
					<b>40. Community Development and Environmental Management</b>			
16,950	9,071	4,448	30,469	27,686	41. Community Development Management	15,850	15,850	15,850
5,500	1,544	1,546	8,590	7,540	42. Natural Resource Management	3,250	250	250
—	—	500	500	500	43. Science and Technical Programs	6,000	6,000	6,000
1,909	309	-375	1,843	1,731	49. Agricultural Resources, Planning, and Regulation	436	1,255	1,255
<hr/>					Total Appropriation	25,536	23,355	23,355
24,359	10,924	6,119	41,402	37,457				
					<b>50. Economic Planning, Development and Security</b>			
67,459	2,055	-940	68,574	66,398	51. Economic Planning and Development	26,648	32,151	32,151
11,171	—	—	11,171	11,171	52. Economic Regulation	70,840	70,840	70,840
297,444	14,369	-70,019	241,794	237,202	53. Economic Assistance and Security	271,498	248,777	248,777
32,779	—	675	33,454	33,406	54. Manpower and Employment Services	31,279	31,561	31,561
256,524	315	-2,720	254,119	253,754	55. Social Services Programs	245,702	243,446	243,446
<hr/>					Total Appropriation	645,967	626,775	626,775
665,377	16,739	-73,004	609,112	601,931				
					<b>60. Transportation Programs</b>			
9,000	—	-2,944	6,056	4,069	61. State and Local Highway Facilities	—	—	—
260,027	—	-379	259,648	259,648	62. Public Transportation	193,827	278,700	278,700
—	2,002	41	2,043	987	64. Regulation and General Management	—	—	—
<hr/>					Total Appropriation	193,827	278,700	278,700
269,027	2,002	-3,282	267,747	264,704				
					<b>70. Government Direction, Management and Control</b>			
554,692	2	6,765	561,459	559,155	74. General Government Services	622,312	734,951	734,951
4,876	33	129	5,038	5,005	75. State Subsidies and Financial Aid	10,500	—	—
6,038	552	2,089	8,679	8,593	76. Management and Administration	7,708	22,312	22,312
<hr/>					Total Appropriation	640,520	757,263	757,263
565,606	587	8,983	575,176	572,753				
					<b>80. Special Government Services</b>			
12,000	—	—	12,000	12,000	82. Protection of Citizens' Rights	12,000	14,000	14,000
1,009	114	—	1,123	991	83. Services to Veterans	1,009	1,009	1,009
<hr/>					Total Appropriation	13,009	15,009	15,009
13,009	114	—	13,123	12,991				
6,148,312	282,050	194,136	6,624,498	6,432,728	<i>Total Grants-in-Aid</i>	6,241,139	7,303,429	7,115,799

# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
					<b>State Aid</b>			
					<b>10. Public Safety and Criminal Justice</b>			
10,090	—	-169	9,921	1,309	12. Law Enforcement	8,090	1,090	1,090
4,782	—	2,200	6,982	6,982	13. Special Law Enforcement Activities	7,019	3,730	3,730
14,872	—	2,031	16,903	8,291	Total Appropriation	15,109	4,820	4,820
					<b>20. Physical and Mental Health</b>			
44,005	—	1,256	45,261	44,404	21. Health Services	51,346	61,846	61,846
94,510	6,200	—	100,710	89,064	23. Mental Health Services	93,510	93,510	93,510
6,964	—	-1,344	5,620	5,620	26. Senior Services	7,108	7,108	7,108
145,479	6,200	-88	151,591	139,088	Total Appropriation	151,964	162,464	162,464
					<b>30. Educational, Cultural and Intellectual Development</b>			
1,537,397	4	-268,590	1,268,811	1,268,316	31. Direct Educational Services and Assistance	1,589,337	1,164,503	1,164,503
5,460	—	—	5,460	5,459	33. Supplemental Education and Training Programs	5,460	5,460	5,460
1,116,229	68,936	24,672	1,209,837	1,199,484	34. Educational Support Services	1,421,026	1,608,064	1,608,064
164,463	—	—	164,463	157,595	36. Higher Educational Services	184,111	207,575	184,075
16,931	—	-1,218	15,713	15,589	37. Cultural and Intellectual Development Services	16,827	24,742	16,827
2,840,480	68,940	-245,136	2,664,284	2,646,443	Total Appropriation	3,216,761	3,010,344	2,978,929
					<b>40. Community Development and Environmental Management</b>			
16,971	67,274	—	84,245	23,769	41. Community Development Management	16,925	16,925	16,925
—	13,281	—	13,281	13,281	44. Site Remediation and Waste Management	—	2,300	2,300
—	2,250	—	2,250	2,250	45. Environmental Regulation	—	—	—
4,406	—	39	4,445	4,443	46. Environmental Planning and Administration	4,258	4,258	4,258
—	—	—	—	—	47. Compliance and Enforcement	—	2,453	2,453
8,642	354	-2	8,994	8,994	49. Agricultural Resources, Planning, and Regulation	8,642	9,968	9,968
30,019	83,159	37	113,215	52,737	Total Appropriation	29,825	35,904	35,904
					<b>50. Economic Planning, Development and Security</b>			
188,842	723	22,876	212,441	211,926	53. Economic Assistance and Security	207,212	244,700	244,700
188,842	723	22,876	212,441	211,926	Total Appropriation	207,212	244,700	244,700
					<b>70. Government Direction, Management and Control</b>			
69,974	5	—	69,979	67,652	75. State Subsidies and Financial Aid	119,792	134,551	134,551
69,974	5	—	69,979	67,652	Total Appropriation	119,792	134,551	134,551
3,289,666	159,027	-220,280	3,228,413	3,126,137	Total State Aid	3,740,663	3,592,783	3,561,368

# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
					<b>Capital Construction</b>			
					<b>10. Public Safety and Criminal Justice</b>			
—	4,765	—	4,765	4,230	11. Vehicular Safety	—	—	—
6,000	7,795	—	13,795	4,725	12. Law Enforcement	3,846	—	—
779	2,364	-16	3,127	1,790	14. Military Services	165	2,127	2,127
—	5,289	-406	4,883	1,785	16. Detention and Rehabilitation	—	—	—
1,828	14,048	—	15,876	5,284	18. Juvenile Services	500	—	—
2,900	19,784	-710	21,974	11,772	19. Central Planning, Direction and Management	—	—	—
11,507	54,045	-1,132	64,420	29,586	Total Appropriation	4,511	2,127	2,127
					<b>20. Physical and Mental Health</b>			
650	791	—	1,441	1,144	21. Health Services	620	—	—
3,000	9,174	—	12,174	1,522	23. Mental Health Services	—	—	—
—	6	—	6	—	25. Health Administration	—	—	—
3,650	9,971	—	13,621	2,666	Total Appropriation	620	—	—
					<b>30. Educational, Cultural and Intellectual Development</b>			
400	9,637	—	10,037	2,470	32. Operation and Support of Educational Institutions	—	—	—
1,200	—	—	1,200	9	33. Supplemental Education and Training Programs	—	—	—
—	1,259	-1	1,258	762	35. Education Administration and Management	—	—	—
—	2,522	—	2,522	14	36. Higher Educational Services	—	—	—
—	3,312	—	3,312	1,172	37. Cultural and Intellectual Development Services	—	—	—
1,600	16,730	-1	18,329	4,427	Total Appropriation	—	—	—
					<b>40. Community Development and Environmental Management</b>			
30,500	42,663	-2,602	70,561	36,005	42. Natural Resource Management	36,294	36,233	36,233
8,650	767	—	9,417	8,720	43. Science and Technical Programs	—	—	—
41,470	31,640	—	73,110	45,916	44. Site Remediation and Waste Management	90,170	92,040	92,040
—	3	—	3	—	45. Environmental Regulation	—	—	—
125	509	-24	610	598	46. Environmental Planning and Administration	—	—	—
—	12	5,129	5,141	—	49. Agricultural Resources, Planning, and Regulation	—	—	—
80,745	75,594	2,503	158,842	91,239	Total Appropriation	126,464	128,273	128,273
					<b>50. Economic Planning, Development and Security</b>			
—	21	-20	1	—	52. Economic Regulation	—	—	—
—	21	-20	1	—	Total Appropriation	—	—	—
					<b>60. Transportation Programs</b>			
745,000	—	—	745,000	745,000	61. State and Local Highway Facilities	805,000	805,000	805,000
745,000	—	—	745,000	745,000	Total Appropriation	805,000	805,000	805,000
					<b>70. Government Direction, Management and Control</b>			
—	406	—	406	309	71. Legislative Activities	—	—	—
175,149	66,595	-23,553	218,191	182,526	74. General Government Services	194,233	185,549	185,549
3,300	7,833	—	11,133	5,155	76. Management and Administration	5,600	10,400	10,400
178,449	74,834	-23,553	229,730	187,990	Total Appropriation	199,833	195,949	195,949

# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
1,000	13,782	16	14,798	14,450	<b>80. Special Government Services</b>			
					83. Services to Veterans	—	—	—
1,000	13,782	16	14,798	14,450	Total Appropriation	—	—	—
<i>1,021,951</i>	<i>244,977</i>	<i>-22,187</i>	<i>1,244,741</i>	<i>1,075,358</i>	<i>Total Capital Construction</i>	<i>1,136,428</i>	<i>1,131,349</i>	<i>1,131,349</i>
					<b>Debt Service</b>			
					<b>40. Community Development and Environmental Management</b>			
76,833	—	2	76,835	76,832	46. Environmental Planning and Administration	68,053	63,240	63,240
76,833	—	2	76,835	76,832	Total Appropriation	68,053	63,240	63,240
					<b>70. Government Direction, Management and Control</b>			
393,842	—	-40,286	353,556	353,552	76. Management and Administration	374,428	381,265	381,265
393,842	—	-40,286	353,556	353,552	Total Appropriation	374,428	381,265	381,265
<i>470,675</i>	—	<i>-40,284</i>	<i>430,391</i>	<i>430,384</i>	<i>Total Debt Service</i>	<i>442,481</i>	<i>444,505</i>	<i>444,505</i>
<i>15,996,124</i>	<i>1,065,131</i>	<i>68,239</i>	<i>17,129,494</i>	<i>16,372,705</i>	<i>Total General Fund</i>	<i>16,874,664</i>	<i>18,085,642</i>	<i>17,865,378</i>
					<b>PROPERTY TAX RELIEF FUND</b>			
					<b>Property Tax Relief Fund – Grants-in-Aid</b>			
					<b>70. Government Direction, Management and Control</b>			
1,216,471	192	—	1,216,663	1,158,494	75. State Subsidies and Financial Aid	865,311	865,311	865,311
1,216,471	192	—	1,216,663	1,158,494	Total Appropriation	865,311	865,311	865,311
<i>1,216,471</i>	<i>192</i>	—	<i>1,216,663</i>	<i>1,158,494</i>	<i>Total Property Tax Relief Fund – Grants-in-Aid</i>	<i>865,311</i>	<i>865,311</i>	<i>865,311</i>
					<b>Property Tax Relief Fund – State Aid</b>			
					<b>30. Educational, Cultural and Intellectual Development</b>			
4,595,315	2,901	20,001	4,618,217	4,609,808	31. Direct Educational Services and Assistance	4,831,258	5,512,127	5,512,127
38,948	—	-1,947	37,001	37,001	33. Supplemental Education and Training Programs	38,948	38,948	38,948
331,974	—	-18,154	313,820	309,248	34. Educational Support Services	325,923	328,211	328,211
17,462	5,525	—	22,987	22,788	36. Higher Educational Services	24,862	28,045	28,045
4,983,699	8,426	-100	4,992,025	4,978,845	Total Appropriation	5,220,991	5,907,331	5,907,331
					<b>40. Community Development and Environmental Management</b>			
8,000	—	—	8,000	7,726	46. Environmental Planning and Administration	8,000	8,000	8,000
2,453	—	—	2,453	2,453	47. Compliance and Enforcement	2,453	—	—
10,453	—	—	10,453	10,179	Total Appropriation	10,453	8,000	8,000

## SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
1,092,124	—	-39,747	1,052,377	1,047,877	<b>70. Government Direction, Management and Control</b>			
1,092,124	—	-39,747	1,052,377	1,047,877	75. State Subsidies and Financial Aid	1,060,015	1,062,358	1,062,358
6,086,276	8,426	-39,847	6,054,855	6,036,901	Total Appropriation	1,060,015	1,062,358	1,062,358
7,302,747	8,618	-39,847	7,271,518	7,195,395	<i>Total Property Tax Relief Fund – State Aid</i>	6,291,459	6,977,689	6,977,689
					<b>Total Property Tax Relief Fund</b>	<b>7,156,770</b>	<b>7,843,000</b>	<b>7,843,000</b>
					<b>CASINO CONTROL FUND</b>			
					<b>Casino Control Fund – Direct State Services</b>			
					<b>10. Public Safety and Criminal Justice</b>			
35,799	240	—	36,039	35,079	12. Law Enforcement	35,799	35,799	35,799
35,799	240	—	36,039	35,079	Total Appropriation	35,799	35,799	35,799
					<b>70. Government Direction, Management and Control</b>			
26,938	1,301	—	28,239	25,674	73. Financial Administration	27,901	27,901	27,901
26,938	1,301	—	28,239	25,674	Total Appropriation	27,901	27,901	27,901
62,737	1,541	—	64,278	60,753	<b>Total Casino Control Fund</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>
					<b>CASINO REVENUE FUND</b>			
					<b>Casino Revenue Fund – Direct State Services</b>			
					<b>20. Physical and Mental Health</b>			
871	12	50	933	908	26. Senior Services	871	871	871
871	12	50	933	908	Total Appropriation	871	871	871
					<b>80. Special Government Services</b>			
92	1	—	93	86	82. Protection of Citizens' Rights	92	92	92
92	1	—	93	86	Total Appropriation	92	92	92
963	13	50	1,026	994	<i>Total Casino Revenue Fund – Direct State Services</i>	963	963	963
					<b>Casino Revenue Fund – Grants-in-Aid</b>			
					<b>20. Physical and Mental Health</b>			
500	—	—	500	497	21. Health Services	500	500	500
277,925	73,562	-50	351,437	350,256	26. Senior Services	299,102	330,953	330,953
3,734	—	—	3,734	3,734	27. Disability Services	80,328	80,328	80,328
282,159	73,562	-50	355,671	354,487	Total Appropriation	379,930	411,781	411,781
					<b>30. Educational, Cultural and Intellectual Development</b>			
19,635	—	—	19,635	19,531	32. Operation and Support of Educational Institutions	38,409	38,409	38,409
19,635	—	—	19,635	19,531	Total Appropriation	38,409	38,409	38,409

# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
34,669	—	—	34,669	34,669	<b>50. Economic Planning, Development and Security</b>			
2,440	—	—	2,440	2,440	52. Economic Regulation	—	—	—
37,109	—	—	37,109	37,109	54. Manpower and Employment Services	2,440	2,440	2,440
338,903	73,562	-50	412,415	411,127	Total Appropriation	2,440	2,440	2,440
					<i>Total Casino Revenue Fund – Grants-in-Aid</i>	<i>420,779</i>	<i>452,630</i>	<i>452,630</i>
					<b>Casino Revenue Fund – State Aid</b>			
					<b>60. Transportation Programs</b>			
24,934	—	—	24,934	24,934	62. Public Transportation	25,458	25,287	25,287
24,934	—	—	24,934	24,934	Total Appropriation	25,458	25,287	25,287
24,934	—	—	24,934	24,934	<i>Total Casino Revenue Fund – State Aid</i>	<i>25,458</i>	<i>25,287</i>	<i>25,287</i>
<b>364,800</b>	<b>73,575</b>	<b>—</b>	<b>438,375</b>	<b>437,055</b>	<i>Total Casino Revenue Fund</i>	<i>447,200</i>	<i>478,880</i>	<i>478,880</i>
					<b>GUBERNATORIAL ELECTIONS FUND</b>			
					<b>Gubernatorial Elections Fund – Direct State Services</b>			
					<b>10. Public Safety and Criminal Justice</b>			
—	—	—	—	—	13. Special Law Enforcement Activities	—	8,870	8,870
—	—	—	—	—	Total Appropriation	—	8,870	8,870
—	—	—	—	—	<i>Total Gubernatorial Elections Fund</i>	<i>—</i>	<i>8,870</i>	<i>8,870</i>
<b>23,726,408</b>	<b>1,148,865</b>	<b>28,392</b>	<b>24,903,665</b>	<b>24,065,908</b>	<b>GRAND TOTAL STATE APPROPRIATIONS</b>	<b>24,542,334</b>	<b>26,480,092</b>	<b>26,259,828</b>

# SUMMARIES OF APPROPRIATIONS

## DEDICATED FUNDS

### Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
					<b>Property Tax Relief Fund – Grants-in-Aid</b>			
					Department of the Treasury			
537,329	150	—	537,479	527,718		540,663	565,663	565,663
679,142	42	—	679,184	630,776		324,648	299,648	299,648
<u>1,216,471</u>	<u>192</u>	<u>—</u>	<u>1,216,663</u>	<u>1,158,494</u>	<i>Total Department of the Treasury</i>	<u>865,311</u>	<u>865,311</u>	<u>865,311</u>
<b>1,216,471</b>	<b>192</b>	<b>—</b>	<b>1,216,663</b>	<b>1,158,494</b>	<b>Total Property Tax Relief Fund – Grants-in-Aid</b>	<b>865,311</b>	<b>865,311</b>	<b>865,311</b>
					<b>Property Tax Relief Fund – State Aid</b>			
					Department of Community Affairs			
967,769	—	-39,754	928,015	927,675		925,069	926,069	926,069
<u>967,769</u>	<u>—</u>	<u>-39,754</u>	<u>928,015</u>	<u>927,675</u>	<i>Total Department of Community Affairs</i>	<u>925,069</u>	<u>926,069</u>	<u>926,069</u>
					Department of Education			
3,312,442	2,901	82,571	3,397,914	3,390,246		3,611,325	4,293,996	4,293,996
106,363	—	-4,494	101,869	101,848		58,423	56,621	56,621
65,578	—	-3,279	62,299	62,299		65,578	65,578	65,578
199,512	—	-9,976	189,536	189,536		199,512	199,512	199,512
911,420	—	-44,821	866,599	865,879		896,420	896,420	896,420
38,948	—	-1,947	37,001	37,001		38,948	38,948	38,948
23,855	—	-3,388	20,467	16,169		17,337	19,969	19,969
303,587	—	-14,766	288,821	288,551		306,987	307,287	307,287
4,532	—	—	4,532	4,528		1,599	955	955
<u>4,966,237</u>	<u>2,901</u>	<u>-100</u>	<u>4,969,038</u>	<u>4,956,057</u>	<i>Total Department of Education</i>	<u>5,196,129</u>	<u>5,879,286</u>	<u>5,879,286</u>
					Department of Environmental Protection			
8,000	—	—	8,000	7,726		8,000	8,000	8,000
2,453	—	—	2,453	2,453		2,453	—	—
<u>10,453</u>	<u>—</u>	<u>—</u>	<u>10,453</u>	<u>10,179</u>	<i>Total Department of Environmental Protection</i>	<u>10,453</u>	<u>8,000</u>	<u>8,000</u>
					Department of the Treasury			
17,462	5,525	—	22,987	22,788		24,862	28,045	28,045
95,719	—	7	95,726	91,744		109,000	109,000	109,000
28,636	—	—	28,636	28,458		25,946	27,289	27,289
<u>141,817</u>	<u>5,525</u>	<u>7</u>	<u>147,349</u>	<u>142,990</u>	<i>Total Department of the Treasury</i>	<u>159,808</u>	<u>164,334</u>	<u>164,334</u>
6,086,276	8,426	-39,847	6,054,855	6,036,901		6,291,459	6,977,689	6,977,689
<b>7,302,747</b>	<b>8,618</b>	<b>-39,847</b>	<b>7,271,518</b>	<b>7,195,395</b>	<b>Total Property Tax Relief Fund</b>	<b>7,156,770</b>	<b>7,843,000</b>	<b>7,843,000</b>



# SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2004 Adjusted Approp.	Requested	Recom- mended	
					<b>Casino Control Fund – Direct State Services</b>			
					Department of Law and Public Safety			
35,799	240	—	36,039	35,079	Gaming Enforcement	35,799	35,799	35,799
35,799	240	—	36,039	35,079	<i>Total Department of Law and Public Safety</i>	35,799	35,799	35,799
					Department of the Treasury			
26,938	1,301	—	28,239	25,674	Administration of Casino Gambling	27,901	27,901	27,901
26,938	1,301	—	28,239	25,674	<i>Total Department of the Treasury</i>	27,901	27,901	27,901
<b>62,737</b>	<b>1,541</b>	<b>—</b>	<b>64,278</b>	<b>60,753</b>	<b>Total Casino Control Fund</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>
					<b>Casino Revenue Fund – Direct State Services</b>			
					Department of Health and Senior Services			
871	12	50	933	908	Programs for the Aged	871	871	871
871	12	50	933	908	<i>Total Department of Health and Senior Services</i>	871	871	871
					Department of Law and Public Safety			
92	1	—	93	86	Operation of State Professional Boards	92	92	92
92	1	—	93	86	<i>Total Department of Law and Public Safety</i>	92	92	92
<b>963</b>	<b>13</b>	<b>50</b>	<b>1,026</b>	<b>994</b>	<b>Total Casino Revenue Fund – Direct State Services</b>	<b>963</b>	<b>963</b>	<b>963</b>
					<b>Casino Revenue Fund – Grants-in-Aid</b>			
					Department of Health and Senior Services			
500	—	—	500	497	Family Health Services	500	500	500
3,857	—	—	3,857	3,276	Medical Services for the Aged	29,558	28,461	28,461
259,874	73,532	—	333,406	333,358	Pharmaceutical Assistance to the Aged and Disabled	255,182	288,130	288,130
14,194	30	-50	14,174	13,622	Programs for the Aged	14,362	14,362	14,362
278,425	73,562	-50	351,937	350,753	<i>Total Department of Health and Senior Services</i>	299,602	331,453	331,453
					Department of Human Services			
3,734	—	—	3,734	3,734	Division of Disabilities Services	80,328	80,328	80,328
10,053	—	—	10,053	9,949	Purchased Residential Care	28,827	28,827	28,827
2,208	—	—	2,208	2,208	Social Supervision and Consultation	2,208	2,208	2,208
7,374	—	—	7,374	7,374	Adult Activities	7,374	7,374	7,374
23,369	—	—	23,369	23,265	<i>Total Department of Human Services</i>	118,737	118,737	118,737
					Department of Labor and Workforce Development			
2,440	—	—	2,440	2,440	Vocational Rehabilitation Services	2,440	2,440	2,440
2,440	—	—	2,440	2,440	<i>Total Department of Labor and Workforce Development</i>	2,440	2,440	2,440
					Department of the Treasury			
34,669	—	—	34,669	34,669	Energy Assistance Programs	—	—	—
34,669	—	—	34,669	34,669	<i>Total Department of the Treasury</i>	—	—	—
<b>338,903</b>	<b>73,562</b>	<b>-50</b>	<b>412,415</b>	<b>411,127</b>	<b>Total Casino Revenue Fund – Grants-in-Aid</b>	<b>420,779</b>	<b>452,630</b>	<b>452,630</b>

## SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
					<b>Casino Revenue Fund – State Aid</b>			
					Department of Transportation			
24,934	—	—	24,934	24,934	Railroad and Bus Operations	25,458	25,287	25,287
24,934	—	—	24,934	24,934	<i>Total Department of Transportation</i>	25,458	25,287	25,287
24,934	—	—	24,934	24,934	Total Casino Revenue Fund – State Aid	25,458	25,287	25,287
<b>364,800</b>	<b>73,575</b>	—	<b>438,375</b>	<b>437,055</b>	<b>Total Casino Revenue Fund</b>	<b>447,200</b>	<b>478,880</b>	<b>478,880</b>
					<b>Gubernatorial Elections Fund – Direct State Services</b>			
					Department of Law and Public Safety			
—	—	—	—	—	Election Law Enforcement	—	8,870	8,870
—	—	—	—	—	<i>Total Department of Law and Public Safety</i>	—	8,870	8,870
—	—	—	—	—	<b>Total Gubernatorial Elections Fund</b>	—	8,870	8,870
<b>7,730,284</b>	<b>83,734</b>	<b>-39,847</b>	<b>7,774,171</b>	<b>7,693,203</b>	<b>Total Appropriation</b>	<b>7,667,670</b>	<b>8,394,450</b>	<b>8,394,450</b>

# SUMMARIES OF APPROPRIATIONS

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## SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

This table summarizes major increases and decreases in the fiscal 2005 Budget, and is organized by category.

Categories of appropriations are defined as follows:

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

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

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

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

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

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

	<u>Increase</u>	<u>Decrease</u>	<u>Net Change</u>
<b>State Operations</b>			
Contracted Salary Increase–State Employees	\$ 126.580		
Child Welfare Reform	125.000		
State Employee Health Benefits	40.101		
Post Retirement Medical – State Employees	26.475		
Prison/Parole Board Costs	24.720		
Employer Taxes	16.917		
Employer Pension Contributions	13.720		
Gubernatorial Elections Fund – Primary Election Public Funding	8.870		
Statewide 911 Emergency Telephone System	6.502		
Trooper Recruit Class/Vehicles	6.269		
UMDNJ Self Insurance Reserve Fund	6.000		
Women’s Health Awareness	5.000		
Statewide Assessment Program	3.000		
New Lisbon Developmental Center Enhancements	2.826		
Cancer Screening–Early Detection and Education Program	2.700		
Drug Court Expansion	2.200		
Snow Removal	2.000		
Cardiovascular Program	2.000		

# SUMMARIES OF APPROPRIATIONS

## MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increase</u>	<u>Decrease</u>	<u>Net Change</u>
Human Services Expanded Fingerprinting	1.800		
New Vineland Veterans' Home	1.675		
SSI Attorney Fees	1.600		
Property Assessment and Management System (PAMS)	1.350		
Menlo Park Veterans' Home – Old Glory Wing	1.049		
Anti-Smoking Initiatives	1.000		
CBT Dedication	0.673		
Insurance	0.636		
Additional Staff—State Commission of Investigation	0.588		
Education Efficiency and Effectiveness Study	0.250		
Animal Welfare	0.200		
Office on the Prevention of Violence Against Women	0.200		
New Jersey Historic Trust Program	<u>0.120</u>		
<b><i>Subtotal – State Operations Increases</i></b>	<b><u>\$ 432.021</u></b>		
Debt/Line of Credit		\$ (17.151)	
Department of Human Services Efficiencies		(8.639)	
Operating Efficiencies throughout the State		(3.484)	
Central Rent		(3.029)	
Department of Corrections Efficiencies		(2.000)	
Forms Reduction/Paperless Filing Initiatives in Taxation and Revenue		(1.981)	
Department of Education Efficiencies		(1.624)	
Department of Health Efficiencies		(1.060)	
New Jersey Network – Equipment		(1.000)	
Pharmacy Discount Card – PAAD Operating Account Savings		(0.994)	
Department of Personnel Efficiencies		(0.821)	
Eliminate Office Supplies Product Line and Increase Drop Ship Program		(0.459)	
Other (Net)		<u>(82.505)</u>	
<b><i>Subtotal – State Operations Decreases</i></b>		<b><u>\$ (124.747)</u></b>	
<b><i>Net Change (State Operations)</i></b>			<b><u>\$ 307.274</u></b>
<b>Grants–In–Aid</b>			
Nursing Homes and Alternatives	\$ 400.724		
Medicaid/General Assistance Health Care Growth	123.071		
General Fund Support of the Health Care Subsidy Fund	110.419		
NJ Transit Operating Subsidy	84.873		
Hospital Funding	52.190		
Children's Behavioral Health Services	37.120		
Contracted Salary Increase – Senior Public Colleges and Universities	31.158		
Debt/Line of Credit	29.360		
Senior Tax Freeze	25.000		
Employee Health Benefits – Higher Education	24.348		
Third Party Provider COLA	21.390		
Tuition Aid Grants	19.317		
Enhanced 911 County Grants	14.725		
Developmental Disabilities Community Services	13.059		
Day Reporting and Halfway Back Federal Fund Loss	11.643		

# SUMMARIES OF APPROPRIATIONS

## MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increase</u>	<u>Decrease</u>	<u>Net Change</u>
NJSTARS (NJ Tuition Plan)	10.000		
Employer Taxes– Higher Education	8.547		
Greystone Redirection II	7.375		
Lead Hazard Control Assistance Fund	7.000		
Cultural Projects – Hotel Tax Dedication	6.900		
Post Retirement Medical – Higher Education	6.252		
Subsidized Adoption and Residential Placements Growth	6.244		
Developmental Disabilities Aging Out Transition	5.762		
Employer Pension Contributions – Higher Education	5.625		
Assisted Living – 750 Additional Slots	5.000		
Parole Board Community Alternatives	4.637		
Advertising and Promotion – Hotel Tax Dedication	3.169		
Family Care	2.586		
Rutgers/UMDNJ Stem Cell Research Institute	2.500		
Department of Justice–New Lisbon	2.140		
State Legal Services	2.000		
Summer Academy for Professional Development	2.000		
Lead Testing Kits for Expectant Mothers	2.000		
New Jersey Caring for Caregivers Initiative	2.000		
Travel & Tourism Cooperative Marketing Program – Economic Recovery	1.850		
Contribution to Community Based Substance Abuse Treatment and Prevention/DEDR	1.300		
Historical Projects – Hotel Tax Dedication	1.140		
Office of Faith Based Initiatives	1.000		
Soil and Water Conservation Grants	0.819		
Part–Time Tuition Aid Grants for County Colleges	0.700		
Hispanic Business Owners Outreach Program	0.600		
Rape Prevention	0.500		
Coordinated Garden State Scholarship Programs	0.500		
Aid to Independent Colleges and Universities	0.500		
Battleship New Jersey Utility Expense	0.390		
Center for Hispanic Policy	0.375		
Displaced Homemakers Centers	0.275		
Cancer Institute of New Jersey	0.250		
Waterloo Village	0.250		
Arthritis Quality of Life Initiative Act Increase	0.250		
St. Barnabas Medical Center – Cancer Center	0.250		
Ellis Island Foundation	0.200		
Huntington’s Disease Program Increase	0.142		
Family Planning Services Program Increase	0.120		
Hispanic Women’s Resource Centers	0.100		
Independent Living Centers	0.100		
Sudden Infant Death Syndrome (SIDS) Assistance Act Program Increase	0.099		
Hemophilia Services Program Increase	0.094		
Tourette Syndrome Association Program Increase	0.050		
Compulsive Gambling Program Increase	0.050		
Chronic Renal Disease Services Program Increase	0.047		

# SUMMARIES OF APPROPRIATIONS

## MAJOR INCREASES AND DECREASES (\$ In Millions)

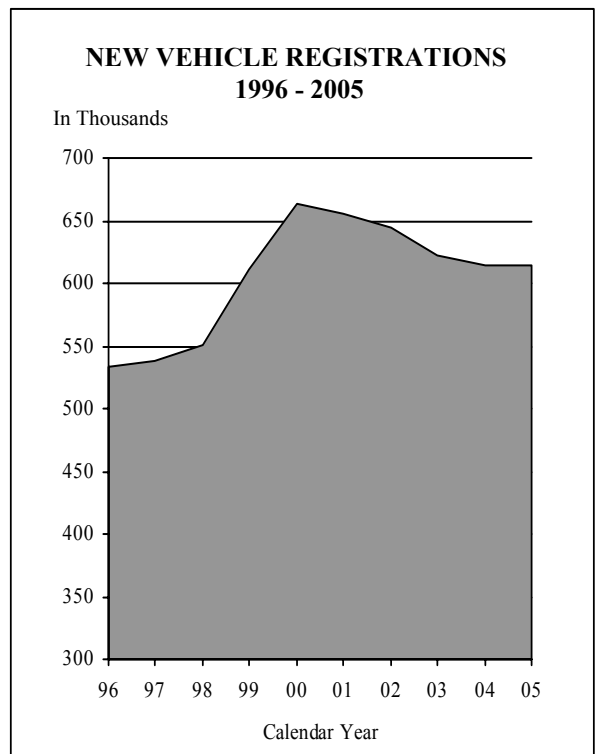
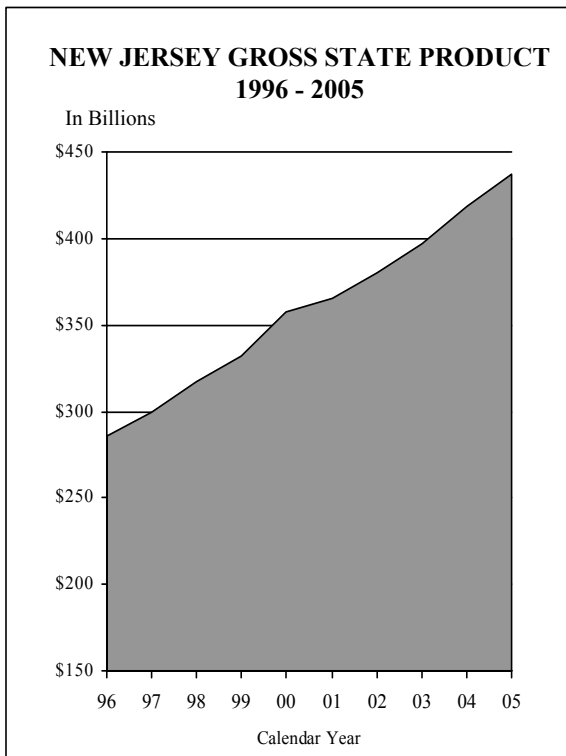
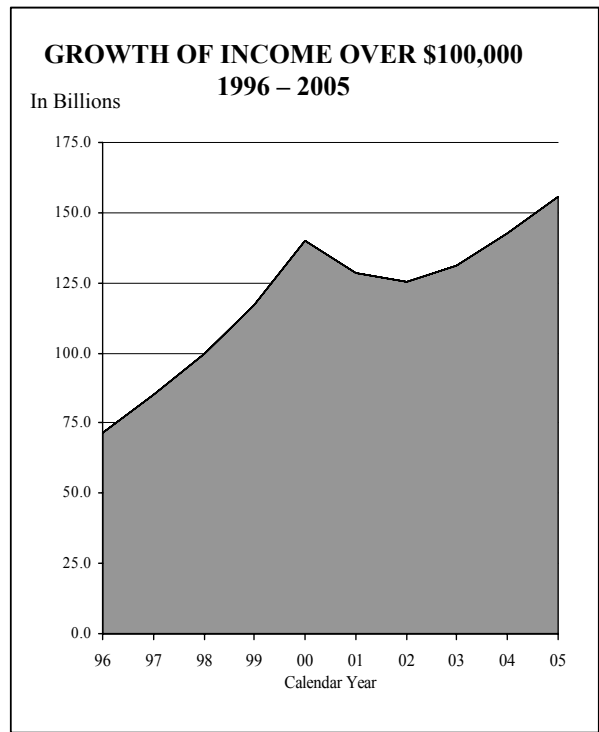
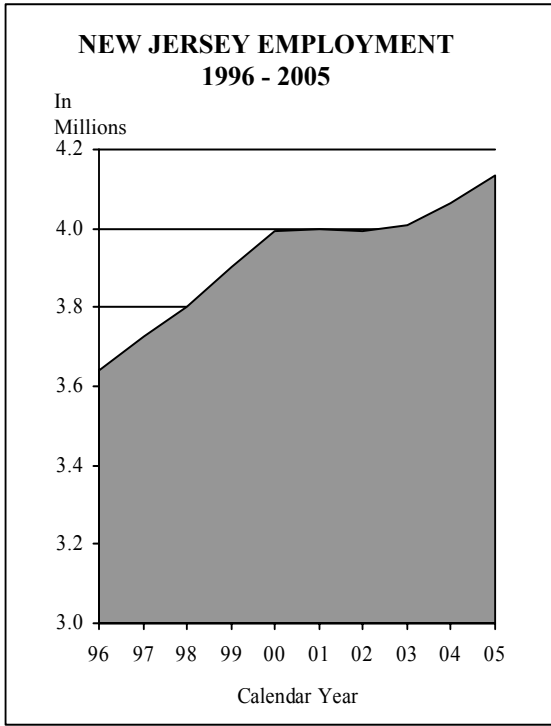
	<u>Increase</u>	<u>Decrease</u>	<u>Net Change</u>
Cleft Palate Programs Increase	0.045		
<b><i>Subtotal – Grants–In–Aid Increases</i></b>	<b><u>\$ 1,102.130</u></b>		
Pharmaceutical Assistance to the Aged and Disabled/Senior Gold		\$ (45.072)	
NJ SAVER – Recalculated Program Participation		(25.000)	
Medicaid Operational Efficiencies		(20.500)	
Title XIX Revenue Maximization		(15.000)	
Medicaid Prescription Copayment		(8.100)	
County Jail Backup		(6.347)	
General Assistance/Food Stamp Case Management Deferral		(3.236)	
Other (Net)		<u>(72.364)</u>	
<b><i>Subtotal – Grants–In–Aid Decreases</i></b>		<b><u>\$ (195.619)</u></b>	
<b><i>Net Change (Grants–In–Aid)</i></b>			<b><u>\$ 906.511</u></b>
<b>State Aid</b>			
Post Retirement Medical – Teachers’ Pension and Annuity Fund	\$ 117.572		
Additional School Formula Aid (3% Growth)	90.000		
Aid to Abbott Districts (3% Growth)	75.000		
School Construction	45.071		
Abbott Preschool Expansion Aid	40.000		
General Assistance	34.105		
Other Abbott Aid	25.000		
Local School Districts – Teacher Social Security Payments	20.957		
Local Police and Firefighter Pension Contribution	20.457		
New Jersey After 3	15.000		
Early Launch to Learning Initiative (ELLI)	15.000		
Early Childhood Intervention Program	10.000		
County College Aid	6.151		
High Achieving/High Efficiency Districts (PACE)	5.000		
Taxpayer Hero Grants	5.000		
Aid for High Enrollment Growth Districts	5.000		
High Expectations for Learning Proficiency (HELP)	5.000		
Supplemental Security Income	4.269		
Nonpublic School Aid (3% Growth)	2.916		
Local Tire Management Program	2.300		
Regional Efficiency Development Incentive Grants	2.200		
Local Police and Fire Post Retirement Medical	1.711		
School Breakfast Program	1.326		
Teacher Mentoring	<u>0.500</u>		
<b><i>Subtotal – State Aid Increases</i></b>	<b><u>\$ 549.535</u></b>		
Miscellaneous School Aid Accounts		\$ (4.713)	
Pension Bond Debt Service		(4.105)	
Extraordinary Aid		(4.000)	
Special Municipal Aid		(4.000)	
Solid Waste Debt Service		(2.840)	

# SUMMARIES OF APPROPRIATIONS

## MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increase</u>	<u>Decrease</u>	<u>Net Change</u>
Other (Net)		(23.113)	
<i>Subtotal – State Aid Decreases</i>		<u>\$ (42.771)</u>	
<i>Net Change (State Aid)</i>			<u>\$ 506.764</u>
<b>Capital Construction</b>			
SACWIS Development and Implementation	\$ 4.800		
State Parks Capital Improvements	4.000		
Enterprise Upgrades–Garden State Network	3.000		
CBT Dedication – Cleanups and Underground Storage Tanks	1.870		
World War II Memorial	1.500		
All–Purpose Room – Paramus Veterans’ Home	0.627		
Other (Net)	<u>0.587</u>		
<i>Subtotal – Capital Construction Increases</i>	<u>\$ 16.384</u>		
Federal Funds for Capital		\$ (9.695)	
Hamilton Complex Troop C – Building Equipment and Furnishings		(3.846)	
Environmental Protection Capital		(3.000)	
Statewide Security Projects from Car Rental Fees		(3.000)	
Interdepartmental Capital		<u>(1.922)</u>	
<i>Subtotal – Capital Construction Decreases</i>		<u>\$ (21.463)</u>	
<i>Net Change (Capital Construction)</i>			<u>\$ (5.079)</u>
<b>Debt Service</b>			
General Obligation Debt Service	<u>\$ 2.024</u>		
<i>Subtotal – Debt Service Increases</i>	<u>2.024</u>		
<i>Net Change (Debt Service)</i>			<u>\$ 2.024</u>
<b>GRAND TOTAL</b>	<u>\$ 2,102.094</u>	<u>\$ (384.600)</u>	<u>\$ 1,717.494</u>

*Economic Growth*  
(1996 - 2005)

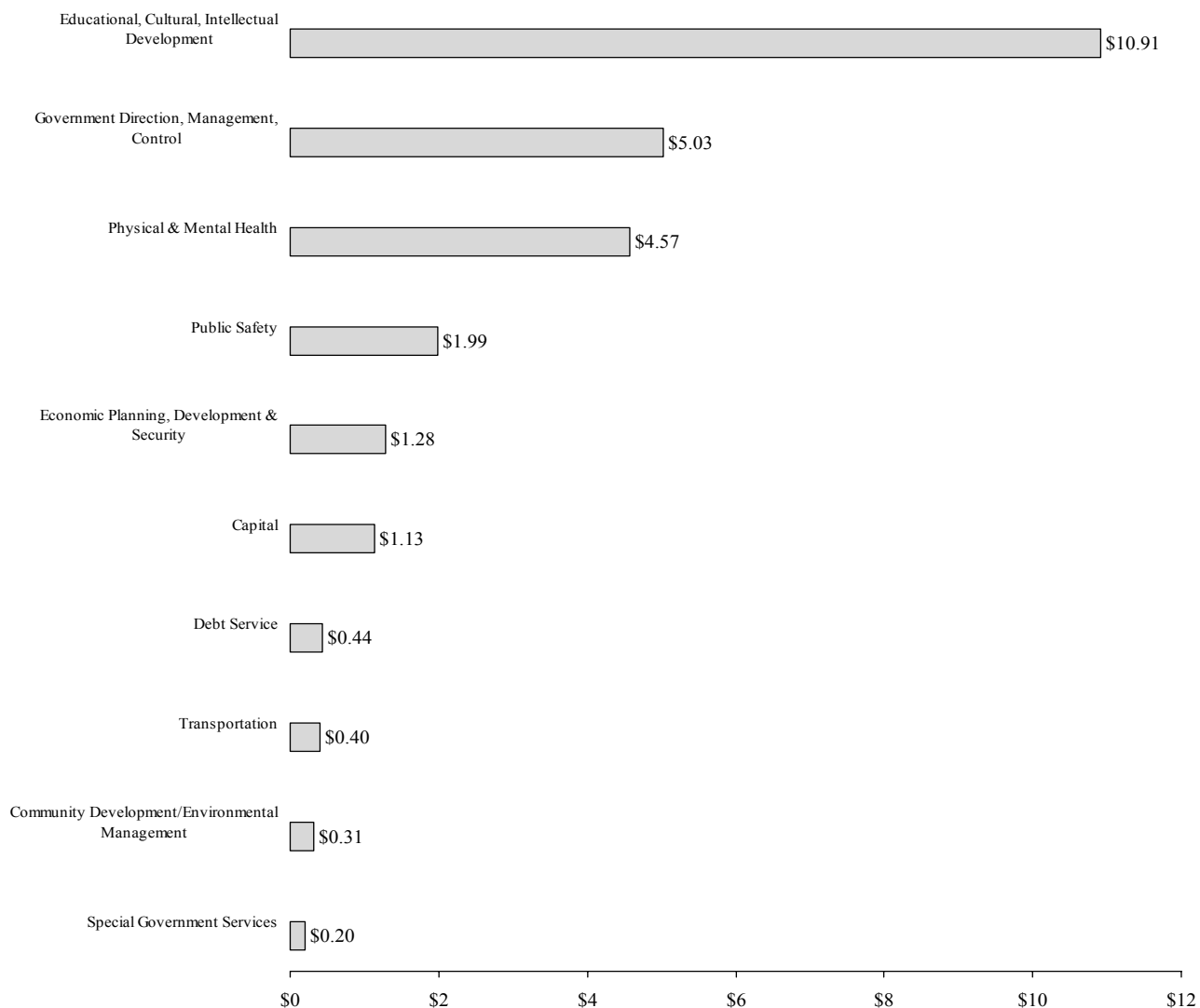




## SUMMARIES OF APPROPRIATIONS

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# Fiscal 2005 Summary of Recommendations by Statewide Program (In Billions)



## *The Fiscal 2005 Budget*

(In Millions)

	<b>FY2004 Adjusted Approp.</b>	<b>FY2005 Budget</b>	<b>% Change</b>
Opening Surplus	\$ 378	\$ 402	6.3
Revenues			
Income	7,240	7,843	8.3
Sales	6,235	6,575	5.5
Corporate	2,247	2,392	6.5
Other	<u>8,667</u>	<u>9,448</u>	9.0
Total Revenues	\$ 24,389	\$ 26,258	7.7
Lapses	<u>177</u>	<u></u>	
Total Resources	<u>\$ 24,944</u>	<u>\$ 26,660</u>	6.9
Appropriations			
Original	\$24,003	\$26,260	9.4
Supplemental	<u>539</u>	<u></u>	
<b>Total Appropriations</b>	<b><u>\$ 24,542</u></b>	<b><u>\$ 26,260</u></b>	7.0 *
<b>Fund Balance</b>	<b>\$ 400</b>	<b>\$ 400</b>	
<b>Gubernatorial Balance</b>	<b><u>2</u></b>	<b><u>-</u></b>	

\* When adjusted for FY 2004 resources reducing spending, growth is 4.4%.

## SUMMARIES OF APPROPRIATIONS

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### *FY 2004 Supplemental Appropriations*

(In Thousands)

PAAD: Rejection of Federal Waiver	\$ 137,884
Additional Abbott v. Burke Aid	89,000
Nursing Homes - Provider Assessment Fee	51,000
Children's Behavioral Health Services	24,973
Nursing Homes - Federal Stimulus Shortfall	22,000
Snow Removal/Winter Operations	20,000
Homestead Rebate Supplemental	18,000
Child Welfare Reform	15,000
UMDNJ Self Insurance Reserve Fund	12,000
Nursing Homes - IGT	10,000
Department of Corrections	8,700
Nursing Homes Shortfall	8,500
Workers Compensation Payments	8,000
Tort Claims Payments	6,000
Correctional Facilities Fuel and Utility Needs	5,500
Extended Polling Hours	3,289
Vehicle Claim Liability	3,215
Workforce New Jersey Technology	3,000
General Assistance Cash Caseload Increase	2,459
Menlo Park Veterans Home - Old Glory Wing	1,820
Vineland Veterans' Home	1,637
Smart Growth Regulatory Permitting	1,500
Paramus Veterans' Home	1,500
School Transportation Aid Funding	1,035
Other	83,161
	<u>\$ 539,173</u>

**SUMMARIES OF APPROPRIATIONS**

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## *Comparison of FY 2004 and FY 2005 Spending*

(In Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	Change	
			<u>\$</u>	<u>%</u>
Direct State Services- Operations	\$ 3,806	\$ 3,779	\$ (27)	(0.71)
Child Welfare Reform	15	125	110	733.33
Interdepartmental	1,557	1,773	216	13.87
State Aid	10,064	10,572	508	5.05
Grants-In-Aid	8,345	8,650	305	3.65
Capital	1,136	1,131	(5)	(0.44)
Debt Service	442	445	3	0.68
Gubernatorial Elections Fund	<u>-</u>	<u>9</u>	<u>9</u>	-
	\$25,365	\$26,484	\$ 1,119	4.41

**Off Budget Spending**

Federal Stimulus for Nursing Homes	\$ 433	\$ -		
UI for Charity Care and Medicaid	325	100		
Other Revenues to Hospital Relief Fund	-	115		
Supplemental Workforce for Community Colleges	5	8		
Catastrophic Illness for Early Intervention	4	-		
DEDR for Substance Abuse	3	1		
Day Reporting VOI/TIS Federal Funds	12	-		
Retro Rebate for PAAD	11	-		
EDA for Tourism	2	-		
Workforce Development	<u>28</u>	<u>-</u>		
FY 2005 Budget	<u>\$24,542</u>	<u>\$26,260</u>	<u>1,718</u>	7.00

## SUMMARIES OF APPROPRIATIONS

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### *Mandated Growth*

(In Thousands)

Medicaid	\$122,093
Local Teachers Post Retirement Medical	117,572
Contracted Salaries State Employees	116,180
Education Opportunity Aid (Abbott Districts)	100,000
State Employees Active and Retirees Health Benefits	66,576
Debt Service	57,076
Abbott preschool enrollment increase	40,000
General Assistance and Supplemental Security Income	38,374
College Employees Active and Retirees Health Benefits	31,852
Contracted Salaries Higher Education	31,158
Corrections	25,781
Teacher Social Security	20,957
Pensions Local Police and Fire	20,457
State employee taxes	16,917
Pensions State Employees	13,720
Arts, History, Tourism per statute	11,209
Gubernatorial primary	8,870
Higher Education Taxes	8,547
Lead Hazard Control Assistance Fund	7,000
DYFS Placement Growth	6,244
Early Intervention program	6,000
UMDNJ Insurance Fund	6,000
Pensions Colleges	5,625
Annualized Costs of DD Waiting List	5,326
New Lisbon	4,966
SACWIS	4,800
Greystone Annualized	3,750
Statewide Assessment Program	3,000
Annualized cost of Old Glory opening and Vineland opening	2,724
DEP CBT Dedication	2,543
DHS - finger printing	1,800
Local Police and Fire Post Retirement Medical	1,711
State Insurance	1,636
School Breakfast	1,326
	<hr/>
Total Uncontrollable Growth	\$911,790

## *The Fiscal 2005 Budget by Category*

(In Millions)

	<b>FY2004 Adjusted Approp.</b>	<b>FY2005 Budget</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
State-Aid	\$ 10,059	\$ 10,564	\$ 505	5.0
Grants-in-Aid	7,527	8,434	907	12.0
Operating Departments	3,806	3,779	(27)	(0.7)
Child Welfare Reform	15	125	110	733.3
Interdepartmental	1,557	1,773	216	13.9
Capital Construction	1,136	1,131	(5)	(0.4)
Debt Service	442	445	3	0.7
Gubernatorial Elections Fund	-	9	9	0.0
<b>Grand Total -- State Appropriations</b>	<b>\$ 24,542</b>	<b>\$ 26,260</b>	<b>\$ 1,718</b>	<b>7.0</b>

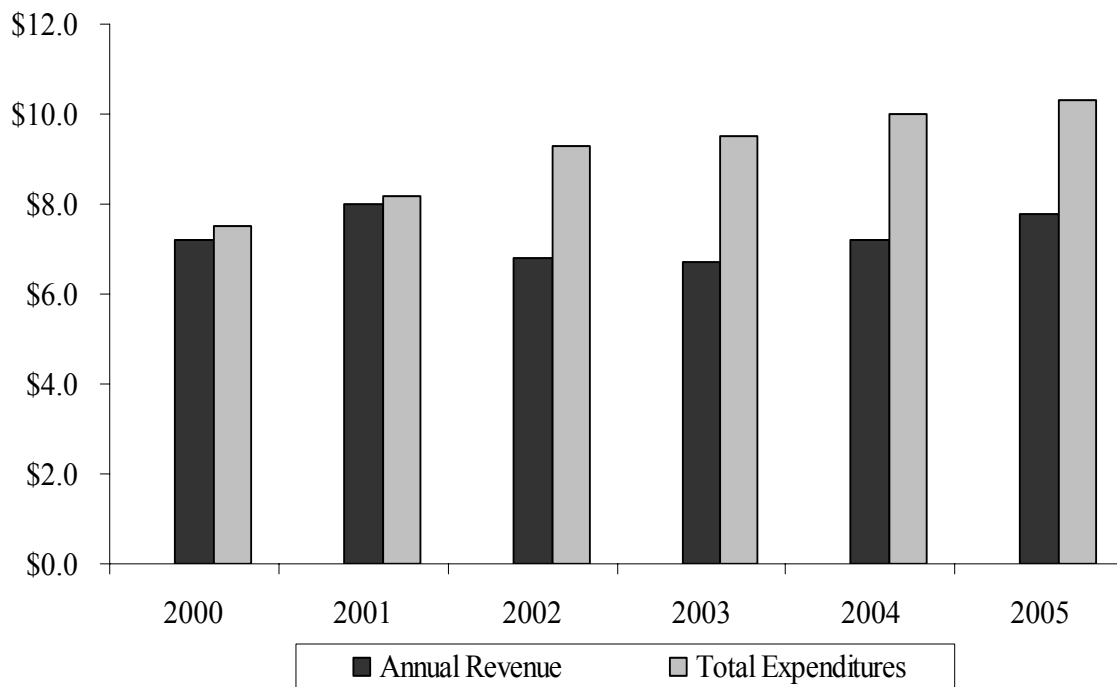
## SUMMARIES OF APPROPRIATIONS

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### *FY 2005 Budget* (In Millions)

	<b>FY 2004 Adjusted Appropriation</b>	<b>% of Total</b>	<b>FY 2005 Budget</b>	<b>% of Total</b>
Total Resources	\$24,944.5		\$26,659.8	
State Aid	10,057.6	41.0%	10,564.3	40.2%
Grants-In-Aid	7,527.2	30.7%	8,433.8	32.1%
Operating Departments	3,806.4	15.5%	3,778.9	14.4%
Child Welfare Reform	15.0	0.1%	125.0	0.5%
Interdepartmental	1,557.2	6.3%	1,773.2	6.8%
Capital	1,136.4	4.6%	1,131.3	4.3%
Debt	442.5	1.8%	444.5	1.7%
Gubernatorial Elections Fund	0.0	0.0%	8.8	0.0%
<b>Total Appropriations</b>	<b>\$24,542.3</b>	<b>100.0%</b>	<b>\$26,259.8</b>	<b>100.0%</b>
<b>Ending Surplus</b>	<b>\$402.2</b>		<b>\$400.0</b>	

## Property Tax Relief Programs/Income Tax Revenues (In Billions)





# SUMMARIES OF APPROPRIATIONS

## *Direct State Services By Department*

(In Thousands)

Department	FY2004	FY2005	Change	
	Adjusted Approp.	Budget	\$	%
Chief Executive	\$5,367	\$5,267	(\$100)	(1.9)
Agriculture	9,442	9,123	(319)	(3.4)
Banking and Insurance	68,589	66,703	(1,886)	(2.7)
Community Affairs	35,860	34,456	(1,404)	(3.9)
Corrections	848,055	870,928	22,873	2.7
Education	62,133	59,059	(3,074)	(4.9)
Environmental Protection	212,825	212,057	(768)	(0.4)
Health & Senior Services	77,211	86,545	9,334	12.1
Human Services	690,650	672,623	(18,027)	(2.6)
Labor	60,472	60,171	(301)	(0.5)
Law & Public Safety	506,424	505,743	(681)	(0.1)
Military & Veterans' Affairs	78,224	80,641	2,417	3.1
Personnel	26,103	25,448	(655)	(2.5)
State	23,247	22,697	(550)	(2.4)
Transportation	106,242	87,907	(18,335)	(17.3)
Treasury	398,377	379,499	(18,878)	(4.7)
Misc Executive Commissions	1,373	1,373	---	---
<b>Sub-Total Executive Branch</b>	<b>\$3,210,594</b>	<b>\$3,180,240</b>	<b>(\$30,354)</b>	<b>(0.9)</b>
Child Welfare Reform	15,000	125,000	110,000	733.3
<b>Total Executive Branch</b>	<b>3,225,594</b>	<b>3,305,240</b>	<b>79,646</b>	<b>2.5</b>
Interdepartmental	1,557,152	1,773,213	216,061	13.9
Gubernatorial Elections Fund	---	8,870	8,870	---
Legislature	71,906	72,494	588	0.8
Judiciary	523,964	526,073	2,109	0.4
<b>Total</b>	<b>\$5,378,616</b>	<b>\$5,685,890</b>	<b>\$307,274</b>	<b>5.7</b>

## *Funding for Property Tax Relief*

(In Millions)

<u>Programs</u>	<u>FY2004 Adjusted Approp.</u>	<u>FY2005 Budget</u>	<u>\$ Change</u>
School Aid	\$8,212.0	\$8,657.3	\$445.3
Municipal Aid	1,732.8	1,757.0	24.2
Other Local Aid	663.3	716.0	52.7
Direct Taxpayer Relief	<u>1,290.3 *</u>	<u>1,335.3</u>	<u>45.0</u>
<b>Subtotal Direct Aid</b>	<b>\$11,898.4</b>	<b>\$12,465.6</b>	<b>\$567.2</b>
Pension Savings	132.8	185.3	52.5
Police and Firemen's Pension Savings	<u>214.0</u>	<u>224.9</u>	<u>10.9</u>
Subtotal Pension Savings	<u>\$346.8</u>	<u>\$410.2</u>	<u>\$63.4</u>
Hotel Revenue	<u>\$15.0</u>	<u>\$45.0</u>	<u>30.0</u>
<b>Grand Totals</b>	<b><u><u>\$12,260.2</u></u></b>	<b><u><u>\$12,920.8</u></u></b>	<b><u><u>\$660.6</u></u></b>

\*Reflects expended

# SUMMARIES OF APPROPRIATIONS

## FISCAL 2005 TAXPAYER RELIEF (In Millions)

PROGRAM DESCRIPTION	FY 2004 Adjusted Approp.	FY 2005 Budget	\$ Change	% Change
<b>School Aid</b>				
Direct Aid	\$6,790.9	\$7,064.2	\$273.3	4.0%
School Building Aid	237.0	274.2	37.2	15.7%
Teachers' Retirement Benefits & Social Security	1,184.1	1,318.9	134.8	11.4%
<b>Subtotal School Aid</b>	<b>\$8,212.0</b>	<b>\$8,657.3</b>	<b>\$445.3</b>	<b>5.4%</b>
<b>Municipal Aid</b>				
Consolidated Municipal Property Tax Relief Aid	\$835.4	\$835.4	\$0.0	0.0%
Energy Receipts Property Tax Relief Aid	762.7	787.7	25.0	3.3%
Special Municipal Aid	28.3	24.3	(4.0)	(14.1%)
Legislative Initiative Block Grant Program	34.8	34.8	0.0	0.0%
Extraordinary Aid	35.0	31.0	(4.0)	(11.4%)
Trenton Capitol City Aid	16.5	16.5	0.0	0.0%
Regional Efficiency Aid Program (REAP)	10.0	10.0	0.0	0.0%
Open Space - Payments in Lieu of Taxes	8.0	8.0	0.0	0.0%
Hero Grants	0.0	5.0	5.0	0.0%
Regional Efficiency Development Incentive Grants (REDI)	2.0	4.2	2.2	110.0%
<b>Subtotal Municipal Aid</b>	<b>\$1,732.8</b>	<b>\$1,757.0</b>	<b>\$24.2</b>	<b>1.4%</b>
<b>Other Local Aid</b>				
County College Aid	\$214.0	\$220.1	\$6.1	2.9%
Transportation Trust Fund - Local Project Aid	150.0	150.0	0.0	0.0%
Aid to County Psychiatric Hospitals	93.5	93.5	0.0	0.0%
General Assistance Administration	16.1	23.8	7.7	47.8%
Urban Enterprise Zones - Sales Tax Dedication	57.5	60.4	2.9	5.0%
County Solid Waste Debt	60.2	57.3	(2.8)	(4.7%)
DCA - Housing and Neighborhood Assistance	16.7	16.7	0.0	0.0%
Library Aid	16.8	16.8	0.0	0.0%
Pension Contributions on behalf of Local Governments	38.3	60.1	21.8	56.9%
911 Enhancement	0.2	14.9	14.7	7362.5%
Local Tire Management Program	0.0	2.3	2.3	0.0%
<b>Subtotal Other Local Aid</b>	<b>\$663.3</b>	<b>\$716.0</b>	<b>\$52.7</b>	<b>8.0%</b>
<b>Direct Taxpayer Relief</b>				
Direct School Tax Relief Program (NJ SAVER)	\$299.6 *	\$299.6	\$0.0	---
Homestead Rebates	517.7	517.7	0.0	---
Senior/Disabled Citizens' Property Tax Freeze	23.0	48.0	25.0	108.7%
Municipal Reimbursement--Veterans' Tax Deductions	83.0	86.0	3.0	3.6%
Municipal Reimbursement--Senior/Disabled Citizens' Tax Deductions	26.0	23.0	(3.0)	(11.5%)
Property Tax Deduction Act	341.0	361.0	20.0	5.9%
* Reflects expended				
<b>Subtotal Direct Taxpayer Relief</b>	<b>\$1,290.3</b>	<b>\$1,335.3</b>	<b>\$45.0</b>	<b>3.5%</b>
<b>Pension Savings</b>				
School District Pension Savings	\$28.9	\$40.3	\$11.4	39.4%
Municipal Pension Savings	34.9	48.7	13.8	39.5%
Other Local Pension Savings	69.0	96.3	27.3	39.6%
Police & Firemen's Retirement System	214.0	224.9	10.9	5.1%
<b>Subtotal Pension Savings</b>	<b>\$346.8</b>	<b>\$410.2</b>	<b>\$63.4</b>	<b>18.3%</b>
<b>Hotel Municipal Revenue</b>	<b>\$15.0</b>	<b>\$45.0</b>	<b>\$30.0</b>	<b>200.0%</b>
<b>GRAND TOTAL - TAXPAYER RELIEF</b>	<b>\$12,260.2</b>	<b>\$12,920.8</b>	<b>\$660.6</b>	<b>5.4%</b>

## *School Aid*

(In Millions)

	<u>FY2004 Adjusted Approp.</u>	<u>FY2005 Budget</u>	<u>\$ Change</u>
Formula/Supplemental Programs	\$6,432.4	\$6,622.4	\$190.0
Abbott Preschool Expansion	142.4	182.4	40.0
Early Launch to Learning Initiative	-	15.0	15.0
New Jersey After 3	-	15.0	15.0
Above Average Enrollment Growth	-	5.0	5.0
High Expectations for Learning Proficiency (HELP)	-	5.0	5.0
Positive Achievement and Cost Effectiveness (PACE)	-	5.0	5.0
Nonpublic School Aid	97.2	100.1	2.9
Teacher Quality Mentoring	2.0	2.5	0.5
Other Aid	116.9	111.8	(5.1)
<b>Total Direct School Aid</b>	<b><u>\$6,790.9</u></b>	<b><u>\$7,064.2</u></b>	<b><u>\$273.3</u></b>
Post Retirement Medical	\$489.5	\$607.0	\$117.5
Debt Service on Pension Obligation Bonds	83.5	79.8	(3.7)
Teachers' Social Security	611.1	632.1	21.0
<b>Total Direct State Payments for Education</b>	<b><u>\$1,184.1</u></b>	<b><u>\$1,318.9</u></b>	<b><u>\$134.8</u></b>
School Construction and Renovation Fund	\$107.9	\$152.9	\$45.0
Debt Service Aid	129.1	121.3	(7.8)
<b>Total School Building Aid</b>	<b><u>\$237.0</u></b>	<b><u>\$274.2</u></b>	<b><u>\$37.2</u></b>
<b>Total School Aid</b>	<b><u><u>\$8,212.0</u></u></b>	<b><u><u>\$8,657.3</u></u></b>	<b><u><u>\$445.3</u></u></b>

# SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2005---

	Expended Fiscal 2003	Adjusted Appropriation Fiscal 2004	Requested Fiscal 2005	General Fund	Property Tax Relief Fund	Total
<b>Formula Aid Programs:</b>						
Core Curriculum Standards Aid	\$2,949,187	\$3,080,318	\$3,080,318	\$1,009,207	\$2,071,111	\$3,080,318
Supplemental Core Curriculum Standards Aid	239,180	251,768	251,768	0	251,768	251,768
Early Childhood Aid	314,099	330,630	330,630	0	330,630	330,630
Instructional Supplement	14,840	15,621	15,621	0	15,621	15,621
Demonstrably Effective Program Aid	189,536	199,512	199,512	0	199,512	199,512
Rewards and Recognition	9,459	0	0	0	0	0
Stabilization Aid	106,045	111,626	111,626	0	111,626	111,626
Stabilization Aid 2	2,366	2,491	2,491	0	2,491	2,491
Stabilization Aid 3	10,832	11,402	11,402	0	11,402	11,402
Additional Supplemental Stabilization Aid:						
Large Efficient Districts	4,988	5,250	5,250	0	5,250	5,250
High Senior Citizen Concentrations	1,169	1,231	1,231	0	1,231	1,231
Regionalization Incentive Aid	17,380	18,295	18,295	0	18,295	18,295
Categorical Aids:						
Distance Learning Network	56,204	0	0	0	0	0
Adult Education Grants	27,285	28,721	28,721	0	28,721	28,721
Bilingual Education	62,299	65,578	65,578	0	65,578	65,578
Special Education	851,599	896,420	896,420	0	896,420	896,420
County Vocational Education	37,001	38,948	38,948	0	38,948	38,948
Pupil Transportation Aid	288,421	306,687	307,187	0	307,187	307,187
School Choice	3,567	6,537	7,969	0	7,969	7,969
Aid for Enrollment Adjustments	15,633	16,456	16,456	0	16,456	16,456
Formula Entitlement Amelioration Aid	0	313	0	0	0	0
Consolidated Aid	0	130,127	130,127	0	130,127	130,127
Above Average Enrollment Growth	0	0	5,000	0	5,000	5,000
Additional Formula Aid	0	0	90,000	0	90,000	90,000
<b>Less:</b>						
Stabilization Aid Growth Limitation	(73,576)	(73,576)	(73,576)	0	(73,576)	(73,576)
Growth Savings - Payment Change	0	(5,000)	(5,000)	0	(5,000)	(5,000)
<b>Subtotal, Net T&amp;E Budget</b>	<b>\$5,127,514</b>	<b>\$5,439,355</b>	<b>\$5,535,974</b>	<b>\$1,009,207</b>	<b>\$4,526,767</b>	<b>\$5,535,974</b>
School Construction and Renovation Fund	41,422	107,850	152,921	152,921	0	152,921
Debt Service Aid	169,042	129,101	121,272	121,272	0	121,272
<b>Subtotal, School Building Aid</b>	<b>\$210,464</b>	<b>\$236,951</b>	<b>\$274,193</b>	<b>\$274,193</b>	<b>\$0</b>	<b>\$274,193</b>
<b>TOTAL FORMULA AID</b>	<b>\$5,337,978</b>	<b>\$5,676,306</b>	<b>\$5,810,167</b>	<b>\$1,283,400</b>	<b>\$4,526,767</b>	<b>\$5,810,167</b>

# SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2005---

	Expended Fiscal 2003	Adjusted Appropriation Fiscal 2004	Requested Fiscal 2005	General Fund	Property Tax Relief Fund	Total
<b>Other Aid to Education:</b>						
Nonpublic School Aid	\$100,321	\$97,202	\$100,118	\$100,118	\$0	\$100,118
Education Opportunity Aid	843,073	1,003,414	1,103,414	0	1,103,414	1,103,414
Abbott Preschool Expansion Aid	95,488	142,400	182,400	0	182,400	182,400
Early Launch to Learning Initiative	0	0	15,000	0	15,000	15,000
New Jersey After 3	0	0	15,000	15,000	0	15,000
High Expectations for Learning Proficiency	0	0	5,000	0	5,000	5,000
Positive Achievement and Cost Effectiveness	0	0	5,000	0	5,000	5,000
Payment for Children with Unknown District of Residence	13,610	22,952	21,400	0	21,400	21,400
Extraordinary Special Education Costs Aid	14,280	52,000	52,000	52,000	0	52,000
General Vocational Aid	5,459	5,460	5,460	5,460	0	5,460
Additional School Building Aid (Debt Service)	4,528	1,599	955	0	955	955
Educational Information & Resource Center	450	450	450	450	0	450
Charter School Aid	7,828	5,500	6,500	0	6,500	6,500
Charter Schools - Council on Local Mandates Decision Offset Aid	4,774	5,300	5,500	0	5,500	5,500
Character Education	4,729	4,750	4,750	0	4,750	4,750
Teacher Quality Mentoring	0	2,000	2,500	0	2,500	2,500
Other Aid	7,778	8,544	2,828	2,728	100	2,828
<b>Subtotal, Other Aid to Education</b>	<b>\$1,102,318</b>	<b>\$1,351,571</b>	<b>\$1,528,275</b>	<b>\$175,756</b>	<b>\$1,352,519</b>	<b>\$1,528,275</b>
<b>Subtotal, Department of Education</b>	<b>\$6,440,296</b>	<b>\$7,027,877</b>	<b>\$7,338,442</b>	<b>\$1,459,156</b>	<b>\$5,879,286</b>	<b>\$7,338,442</b>
<b>Direct State Payments for Education:</b>						
Teachers' Pension and Annuity Fund - Post Retirement Medical	292,178	424,035	524,979	524,979	0	524,979
Debt Service on Pension Obligation Bonds	73,769	83,512	79,779	79,779	0	79,779
Post Retirement Medical Other Than TPAF	51,321	65,385	82,013	82,013	0	82,013
Teachers' Social Security Assistance	571,752	611,143	632,100	632,100	0	632,100
<b>Subtotal, Direct State Payments for Education</b>	<b>\$989,020</b>	<b>\$1,184,075</b>	<b>\$1,318,871</b>	<b>\$1,318,871</b>	<b>\$0</b>	<b>\$1,318,871</b>
<b>TOTAL</b>	<b>\$7,429,316</b>	<b>\$8,211,952</b>	<b>\$8,657,313</b>	<b>\$2,778,027</b>	<b>\$5,879,286</b>	<b>\$8,657,313</b>

## SUMMARIES OF APPROPRIATIONS

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### *Municipal Aid* (In Millions)

	<u>FY2004 Adjusted Approp.</u>	<u>FY2005 Budget</u>	<u>\$ Change</u>
Consolidated Municipal Property Tax Aid (CMPTRA)	\$835.4	\$835.4	---
Energy Receipts Property Tax Relief Aid	762.7	787.7	25.0
Special Municipal Aid	28.3	24.3	(4.0)
Regional Efficiency Aid Program (REAP)	10.0	10.0	---
Trenton Capitol City Aid	16.5	16.5	---
Legislative Initiative Block Grant Program	34.8	34.8	---
Extraordinary Aid	35.0	31.0	(4.0)
Open Space - Payment In Lieu of Taxes (PILOT)	8.0	8.0	---
Hero Grants	0.0	5.0	5.0
Regional Efficiency Development Incentive Grants (REDI)	2.0	4.2	2.2
<b>Subtotal Direct Municipal Aid</b>	<u><b>\$1,732.8</b></u>	<u><b>\$1,757.0</b></u>	<u><b>\$24.2</b></u>
Municipal Pension Savings	132.8	185.4	52.6
Municipal Police and Firemen's Pension Savings	214.0	224.9	10.9
Hotel Municipal Revenue	15.0	45.0	30.0
<b>Total Municipal Aid and Budget Savings</b>	<u><b>\$2,094.6</b></u>	<u><b>\$2,212.3</b></u>	<u><b>\$117.7</b></u>

**SUMMARIES OF APPROPRIATIONS**

***Direct Property Tax Relief***  
(In Millions)

	<u>FY2004 Adjusted Approp.</u>	<u>FY2005 Budget</u>	<u>\$ Change</u>
NJ SAVER	\$299.6 *	\$299.6	---
Homestead Rebates	517.7	517.7	---
Senior/Disabled Citizens Property Tax Freeze	23.0	48.0	25.0
Municipal Reimbursement - Veterans' Tax Deductions	83.0	86.0	3.0
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	26.0	23.0	(3.0)
Property Tax Deduction Act	<u>341.0</u>	<u>361.0</u>	<u>20.0</u>
<b>Total Direct Property Tax Relief</b>	<b><u><u>\$1,290.3</u></u></b>	<b><u><u>\$1,335.3</u></u></b>	<b><u><u>\$45.0</u></u></b>

\* Reflects expended



# SUMMARIES OF APPROPRIATIONS

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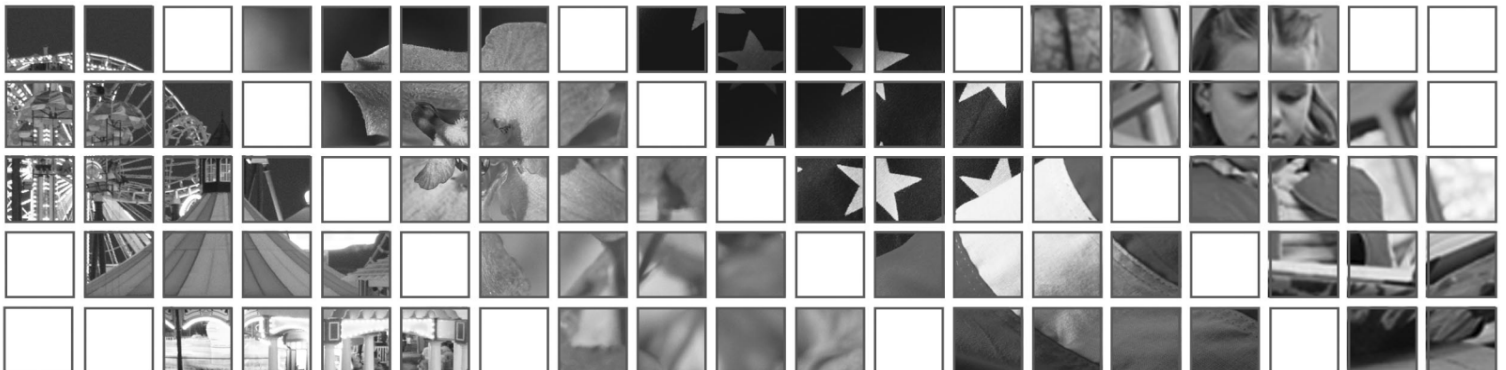
## *Higher Education*

(In Millions)

	<u>FY 2004</u> <u>Adjusted</u>	<u>FY 2005</u> <u>Recommended</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
<b>Colleges and Universities</b>				
Senior Public Colleges and Universities	\$1,273.2	\$1,341.5	\$68.3	5.4%
County Colleges	214.0	220.1	6.1	2.9%
Independent Colleges and Universities	22.8	23.3	0.5	2.2%
<b>Student Financial Assistance</b>	<b>204.9</b>	<b>235.4</b>	<b>30.5</b>	<b>14.9%</b>
<b>Educational Opportunity Fund</b>	<b>35.1</b>	<b>35.1</b>	<b>---</b>	<b>---</b>
<b>Facility and Capital Improvement Programs</b>	<b>79.0</b>	<b>84.3</b>	<b>5.3</b>	<b>6.7%</b>
<b>Other Programs</b>	<b>15.7</b>	<b>18.2</b>	<b>2.5</b>	<b>15.9%</b>
<b>TOTAL, Higher Education</b>	<b><u>\$1,844.7</u></b>	<b><u>\$1,957.9</u></b>	<b><u>\$113.2</u></b>	<b><u>6.1%</u></b>

# Summaries of Revenues, Expenditures and Fund Balances

This section provides an overview of the major revenue assumptions incorporated in the Governor's Budget recommendations. The tables included in this section highlight the State's major revenue sources, such as the income tax, sales tax, corporate tax, etc. and provides projections for the upcoming fiscal year.



# REVENUES & EXPENDITURES

## SUMMARIES OF REVENUES, EXPENDITURES AND FUND BALANCES

The basis of budgeting in New Jersey is in accordance with generally accepted accounting principles (GAAP) as it applies to fund financial statements prescribed by the Governmental Accounting Standards Board (GASB) with certain exceptions. GAAP is the same basis utilized in the preparation of the fund financial statements section of the State's audited Comprehensive Annual Financial Report. In accordance with this basis, revenues are estimated and recognized when they can be accrued; that is, when they become both measurable and available to finance expenditures of the fiscal period. Appropriations are recommended at a level sufficient to recognize all accrued expenditures applicable to the fiscal period. Goods and services delivered during a fiscal period are accrued as expenditures if not actually paid for by year end. Note that the use of the term "expended" to report the most recent actual year activity in this budget is not in strict accordance with GAAP, in that this amount includes encumbrances which under GAAP are reservations of fund balance. In addition, under GAAP certain grants and other financial assistance programs are required to be recorded as revenues and expenditures but are not part of the budget.

The schedules and exhibits contained in this section provide both summary and detailed financial information for all funds maintained by the State. Individual funds are grouped into one of the following categories—General State Funds, Special Revenue, Capital Projects, Proprietary, and Private – Purpose Trust Funds.

GENERAL STATE FUNDS include the General Fund, Property Tax Relief Fund, Casino Revenue Fund, Casino Control Fund, and Gubernatorial Elections Fund.

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Revenues received from most taxes, federal revenues, and certain miscellaneous revenue items are recorded in the General Fund.

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of

reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulae established by the Legislature, to counties, municipalities, and school districts.

The Casino Revenue Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons. Appropriations from this fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior and disabled citizens.

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

The Gubernatorial Elections Fund is used to account for receipts from the one dollar designations on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriations pursuant to the New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

SPECIAL REVENUE FUNDS account for resources legally restricted to expenditure for specified current operating purposes. (While the Property Tax Relief, Casino Revenue, Casino Control, and Gubernatorial Elections Funds actually fall into this category, they are included under General State Funds as they make up an integral portion of the State's Annual Budget).

CAPITAL PROJECTS FUNDS account for financial resources used for the acquisition or construction of major capital facilities for State use.

PROPRIETARY FUNDS are used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as proprietary funds if laws or regulations require that the activity's cost of providing services be recovered with fees and charges.

PRIVATE PURPOSE TRUST FUNDS account for all trust fund arrangements for which principal and income benefit individuals, private organizations, or other governments.

### COMBINED SUMMARY—ALL FUNDS REVENUES, EXPENDITURES AND FUND BALANCES (thousands of dollars)

	Fiscal Years Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Beginning Balances July 1			
General State Funds	\$1,238,350	\$1,243,903	\$1,268,091
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	5,835,810	6,800,649	4,355,247
<i>Total Beginning Balances</i>	<u>7,074,160</u>	<u>8,044,552</u>	<u>5,623,338</u>
Revenues			
General State Funds	35,675,940	37,070,057	38,719,552
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	9,047,634	5,864,068	5,734,238
<i>Total</i>	<u>44,723,574</u>	<u>42,934,125</u>	<u>44,453,790</u>
Less: <i>Interfund Transfers</i>	<u>3,275,799</u>	<u>3,346,429</u>	<u>1,746,652</u>
Net Revenues	<u>41,447,775</u>	<u>39,587,696</u>	<u>42,707,138</u>
Other Adjustments			
General State Funds	84,416	177,869	—
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	416,562	200,010	200,050
<i>Total Other Adjustments</i>	<u>500,978</u>	<u>377,879</u>	<u>200,050</u>
Net Available	<u>49,022,913</u>	<u>48,010,127</u>	<u>48,530,526</u>
Expenditures			
General State Funds	35,754,803	37,223,738	38,721,758
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	5,942,851	5,337,190	4,924,620
<i>Total</i>	<u>41,697,654</u>	<u>42,560,928</u>	<u>43,646,378</u>
Less: <i>Interfund Transfers</i>	<u>719,293</u>	<u>174,139</u>	<u>257,687</u>
Net Expenditures	<u>40,978,361</u>	<u>42,386,789</u>	<u>43,388,691</u>
Ending Balances June 30			
General State Funds	1,243,903	1,268,091	1,265,885
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	6,800,649	4,355,247	3,875,950
<i>Total Ending Balances</i>	<u>\$8,044,552</u>	<u>\$5,623,338</u>	<u>\$5,141,835</u>

# REVENUES & EXPENDITURES

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

	----- Fiscal Year Ending June 30 -----	
	2004	2005
	Estimated	Estimated
Beginning Balances July 1		
Undesignated Fund Balances		
General Fund	\$ 372,982	\$ 400,000
Surplus Revenue Fund	---	---
Property Tax Relief Fund	---	2,206
Gubernatorial Elections Fund	706	---
Casino Control Fund	4,330	---
Casino Revenue Fund	---	---
<b>Total Undesignated Fund Balances</b>	<b>378,018</b>	<b>402,206</b>
State Revenues		
General Fund	16,627,903	17,870,542
Property Tax Relief Fund	7,240,000	7,843,000
Gubernatorial Elections Fund	1,500	1,500
Casino Control Fund	59,370	63,700
Casino Revenue Fund	459,880	478,880
<b>Total State Revenues</b>	<b>24,388,653</b>	<b>26,257,622</b>
Other Adjustments		
General Fund		
Balances lapsed	134,571	---
From (To) Property Tax Relief Fund	126,528	---
From (To) Gubernatorial Elections Fund	---	(5,164)
From (To) Casino Revenue Fund	12,680	---
Property Tax Relief Fund		
From (To) General Fund	(126,528)	---
Balances lapsed	43,298	---
Gubernatorial Elections Fund		
From (To) General Fund	---	5,164
Casino Revenue Fund		
From (To) General Fund	(12,680)	---
<b>Total Other Adjustments</b>	<b>177,869</b>	<b>---</b>
<b>Total Available</b>	<b>24,944,540</b>	<b>26,659,828</b>
Appropriations		
General Fund	16,874,664	17,865,378
Property Tax Relief Fund	7,156,770	7,843,000
Gubernatorial Elections Fund	---	8,870
Casino Control Fund	63,700	63,700
Casino Revenue Fund	447,200	478,880
<b>Total Appropriations</b>	<b>24,542,334</b>	<b>26,259,828</b>
Ending Balances June 30		
Undesignated Fund Balances		
General Fund	400,000	400,000
Surplus Revenue Fund	---	---
Property Tax Relief Fund	---	---
Gubernatorial Elections Fund	2,206	---
Casino Control Fund	---	---
Casino Revenue Fund	---	---
<b>Total Undesignated Fund Balances</b>	<b>\$ 402,206</b>	<b>\$ 400,000</b>

### FISCAL 2004 ANTICIPATED REVENUE

The current estimate of \$24.4 billion in total fiscal 2004 revenue is \$383.9 million more than when the Governor certified revenues in June 2003.

The three largest taxes, Gross Income, Sales and Use, and Corporation Business account for over 64% of total State revenues and are now forecast to yield \$15.7 billion. This is an increase of \$372 million over certified revenues, reflecting upward revisions in the Gross Income (+\$110 million), Sales (+\$70 million) and Corporate (+\$192 million) tax estimates, due to the economic recovery that started in mid 2003.

The Sales and Use Tax is estimated to generate \$6.2 billion in fiscal 2004, at 5% growth compared to the 3.9% rate originally projected. The estimate was increased with positive reports of 2003 holiday sales and generally robust retail sales of durable goods that were boosted due to attractive financing packages and the low interest environment. Consumer confidence improved in 2003, increasing close to 13 points between January and December of last year.

The Gross Income Tax forecast for fiscal 2004 is revised up to \$7.2 billion, an increase of \$110 million compared to the June 2003 certified revenue estimate. This represents an increase in growth of 7.5% rather than the 5.9% growth anticipated in June 2003. Employer withholdings grew by 5% in calendar year 2003, stronger than the weak growth of 1.5% in 2002. This was supported further by better than expected trends in estimated payments which appear to have stabilized (-0.7%) after falling steeply at double-digit negative growth rates in the past two years. The solid gain in the stock market last year was a major factor contributing to revenue growth, particularly under the Gross Income Tax. New Jersey's improving income tax collections are also consistent with numerous other economic indicators and trends, including a net gain of 37,100 jobs during calendar year 2003, a state unemployment rate

that has been consistently below the national rate over the same period of time, and a second consecutive record year for new business filings in New Jersey. The job growth improvements have coincided with the implementation of Governor McGreevey's economic development strategy of several billion dollars of investment in the transportation system and school construction, a new and improved Business Employment and Incentive Program, and targeted investments in projects such as the City of Camden's revitalization and Xanadu in the Meadowlands.

The Corporation Business Tax (CBT) was originally estimated at \$2.1 billion for fiscal 2004, reflecting a decrease of \$414 million from the final fiscal 2003 revenue. This decline was due to revenue items that were only available for fiscal 2003. These items included the acceleration of the September 2003 estimated payments to June 2003 and the 6 month benefit of the retroactive effective date of January 1, 2002. The CBT is revised upward by \$192 million to \$2.2 billion for fiscal 2004. The revised estimate represents only a decrease of \$222 million compared to the \$414 million that was originally anticipated. The revised estimate is in line with increasing corporate profits and the recovering economy in 2004. The CBT estimates assume decoupling from the enhanced federal expensing law (IRS code section. 179).

### FISCAL 2005 REVENUE PROJECTIONS

Total revenues for fiscal 2005 are expected to be \$26.3 billion, approximately \$1.9 billion above the revised fiscal 2004 anticipation, and include new revenue actions of \$2.6 billion. Revenues should continue to improve in fiscal 2005 as the State's and nation's economic recovery continues to gain momentum.

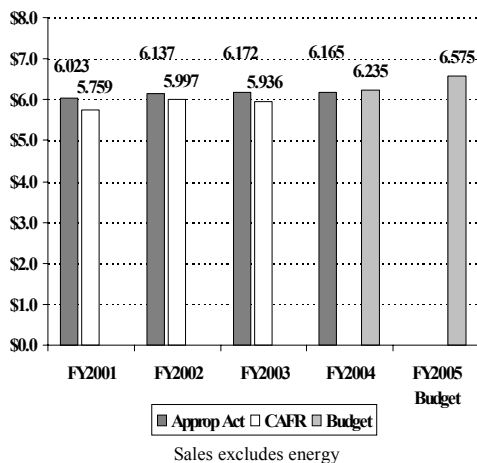
#### Sales Tax

The forecasted \$6.6 billion for fiscal 2005 Sales Tax revenues is an increase of \$340 million, or 5.5%, compared to the revised fiscal 2004 revenues. This reflects an expectation of continued improvement in the underlying economic fundamentals during fiscal 2005. The

# REVENUES & EXPENDITURES

favorable low-interest and low-inflationary environment along with improving labor market conditions are expected to support growing consumer confidence and spending in 2004.

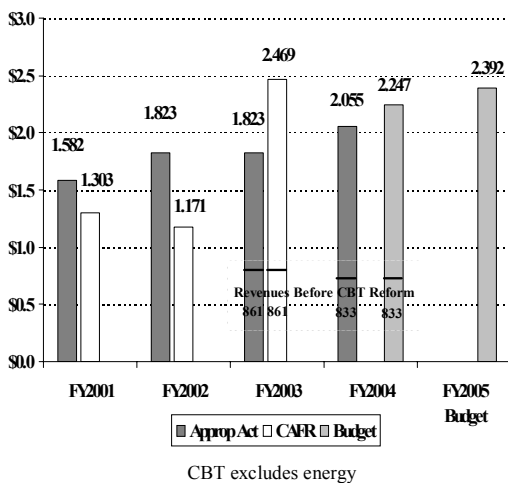
**SALES TAX**  
(In Billions)



## Corporation Business Tax

The fiscal 2005 CBT revenue forecast of \$2.4 billion represents an increase of \$145 million (or 6.5%), compared with revised fiscal 2004. This upward revision assumes an underlying base growth of 5% in gross payments and refund growth of 15.1% in fiscal 2005. It also includes the continuation of the net operating loss suspension estimated at \$275 million.

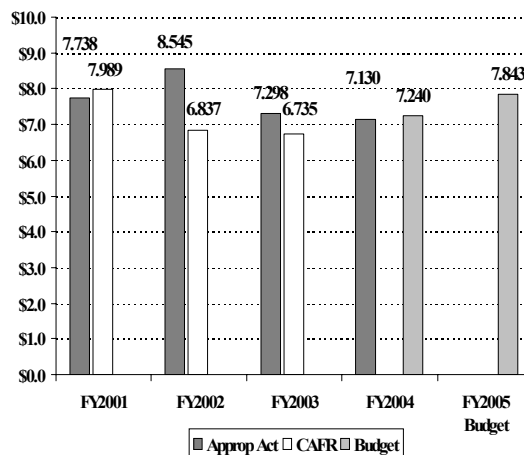
**CORPORATE BUSINESS TAX**  
(In Billions)



## Gross Income Tax

The fiscal 2005 forecast of \$7.8 billion is an increase of \$603 million, or 8.3%, over revised fiscal 2004. This is a reflection of the economic turnaround that started in 2003. New Jersey Total Income, which is the tax base, is expected to increase by 2.8% in 2003 after two straight years of negative income growth. In 2004 and 2005, the tax base is projected to grow at 5.1% and 5.3%, respectively. The amount of income on tax returns reporting over \$100,000 in total income is expected to rebound at an 8.9% average annual rate (2004-2005) after declining at -2% average annual rate during the 2001-2003 recession. Although this pace of growth appears impressive, it remains well below the record double-digit average annual growth rate of 18% experienced from 1995 to 2000. As depicted in the chart below, the fiscal 2005 Gross Income Tax, while improving, is still below the level realized in fiscal 2001.

**GROSS INCOME TAX**  
(In Billions)



## FISCAL 2005 REVENUE INITIATIVES

The proposed Fiscal 2005 Budget anticipates \$26.3 billion in revenue, representing an increase of approximately \$1.9 billion, or 7.7%, from the fiscal 2004 adjusted revenue. The fiscal 2005 revenue includes approximately \$2.6 billion in new revenue. These new revenues are categorized as follows: extension of existing taxes, revenue enhancements and special revenue opportunities.

## REVENUES & EXPENDITURES

### EXTENSION OF EXISTING TAXES

The extension of existing taxes allows the State to continue into fiscal 2005 revenues that otherwise would not be available.

**CBT Net Operating Loss (NOLs) (\$275 million)**—Under the CBT reform, corporations were not allowed to use NOLs for a two-year period. Under the current law, companies would be allowed to claim NOLs beginning with the January 1, 2004 tax year. Extending the suspension for an additional two-year period will result in the maintenance of \$275 million in CBT revenues for fiscal 2005.

**Transitional Energy Facilities Assessment (TEFA) (\$54 million)** – The TEFA was established in 1997 when the taxation of utilities was shifted from a gross receipts tax to a combination of CBT and sales tax. The TEFA was established as transitional revenue so that the lost revenue from the change would be phased-in over a number of years. Under the extension that was approved in 2001, the General Fund portion of TEFA would have been reduced from \$211 million to \$157 million for a revenue loss of \$54 million in fiscal 2005. This proposal would maintain TEFA at its current level.

### REVENUE ENHANCEMENTS

Revenue enhancements proposed for fiscal 2005 are permanent changes resulting in the continuation of this revenue in future years. Descriptions of the major enhancements proposed in the Fiscal 2005 Budget follow.

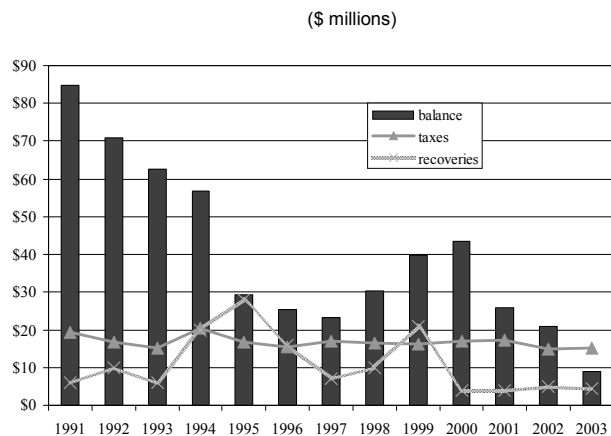
#### Surcharges on Pollution

**Petro-Chemical Environmental Impact Fee (\$150 million)** - A new Petro-Chemical Environmental Impact Fee will raise \$150 million. The petro-chemical industry produces numerous products that harm the environment. It is important to note that this fee will not be passed on to consumers.

**Hazardous Discharge Site Cleanup Fund/New Jersey Spill Compensation Fund (\$20 million)**

- For the past several years, dedicated funding within the Spill Compensation Fund derived from a per-barrel tax on the first transfer of hazardous substances and petroleum products has been used to fund an ongoing shortfall in the Department of Environmental Protection's (DEP) Site Remediation program. The deficit, which is solely attributable to sites where a private responsible party has been identified, is largely the product of inadequate cost recoveries from responsible parties and legislative restrictions on the billings for such costs, the revenue of which is collected in DEP's Hazardous Discharge Site Cleanup Fund (HDSCF). Specifically, the HDSCF generates

#### Spill Compensation Fund



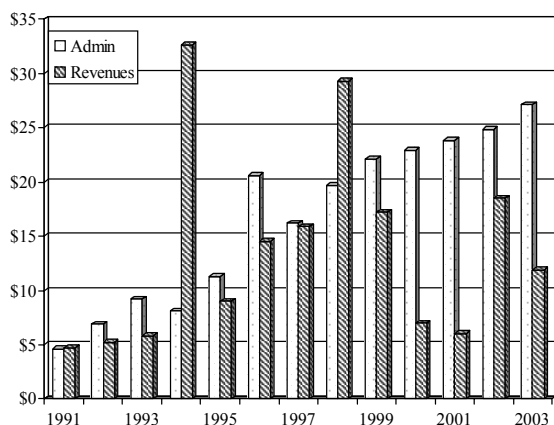
an annual average of \$12 million in revenue against total cleanup expenditures of approximately \$29 million. Transfers from the Spill Fund have subsidized this shortfall. However, the balance in the Spill Fund, which was as high as \$80 million in fiscal 1990, has dwindled to \$21 million by fiscal 2003. (This remaining balance is largely comprised of restricted funds.) The use of the Spill Fund to offset the HDSCF deficit is projected to drop from an annual level ranging from \$7 to \$18 million down to approximately \$3 million in fiscal 2005. As a result, a \$24 million deficit will exist in the Hazardous Discharge Site Cleanup Fund in fiscal 2004 (\$7 million) and fiscal 2005 (\$17 million), a situation that is only expected to worsen in the years ahead.

## REVENUES & EXPENDITURES

The same companies that benefited from the elimination of the federal Superfund tax in 1995 also pay into the State's Spill Fund. Presently, the annual revenue to the Spill Fund totals \$16 million, which is 33% less than the \$24 million that the Fund generated in fiscal 1989. The current rate of \$.015 per barrel on petroleum products and an equivalent amount on hazardous products was last raised in 1987, at which time

### Hazardous Discharge Site Cleanup Fund

(\$ millions)



each company's total tax liability was limited to no more than 125% of the 1986 tax on petroleum products or 100% of the 1986 tax for hazardous substances. To resolve the operating deficit, and reinforce the "polluter pays" principle that forms the basis of environmental regulation, it is recommended that legislation be enacted to increase the Spill Fund tax from the current \$.015 per barrel to \$.031 per barrel and that the statutory cap on the tax be eliminated. These actions would raise an estimated \$20 million in new revenue on an annual basis. It is also recommended that the tax increase be effective as of the start of calendar 2004.

**Tire Clean-Up Surcharge (\$12 million)** - Due to the improper disposal of used tires in the past, tire piles exist in many locations throughout New Jersey. Beyond being an eyesore, these illegal dumps often present a health hazard, as discarded tires become a prime breeding ground for disease-carrying insects, such as mosquitoes. To offset the cost of proper tire management and

disposal, many states have implemented a small surcharge on the sale of new tires, typically ranging from \$1 to \$2.50 per tire.

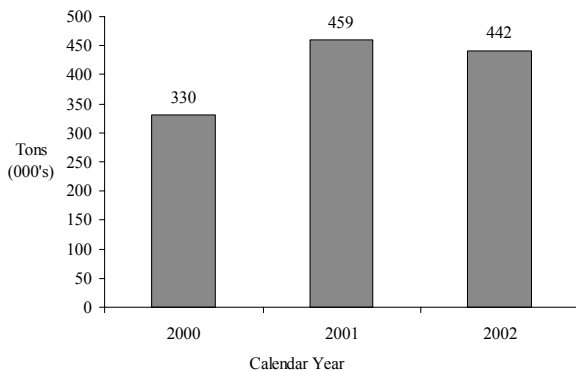
In New Jersey, private tire retailers currently levy a small fee per tire to cover their cost of disposal. It is recommended that an additional surcharge be added of \$1.50 per new tire, which would generate an estimated \$12.3 million in annual revenue to the State. Of this amount, a new grant appropriation of \$2.3 million is recommended for DEP to support the proper cleanup of abandoned tire piles by counties and municipalities. The remaining \$10 million is proposed to be dedicated to support the Department of Transportation's (DOT) snow removal budget through new budget language in the annual Appropriations Act.

**Hazardous Waste Disposal (\$11 million)** - The enactment of legislation is recommended to authorize a new "waste end" tax assessment on hazardous waste that is ultimately treated, landfilled, or incinerated at privately-operated treatment facilities in New Jersey. According to the Department of Environmental Protection (DEP), a total of 440,000 tons of hazardous waste was processed in New Jersey facilities during calendar year 2002, a number that has been fairly steady versus prior years. Approximately half of that waste is produced by out-of-state generators and shipped to processing facilities in New Jersey, where it is typically recycled, incinerated, or packaged for transfer to another site for more specialized treatment. Most other states have adopted some combination of "waste end" taxes, sometimes differentiated by waste toxicity or volume, and tax rates of \$40 per ton are not uncommon.

It is proposed that a straight rate of \$25 per ton be adopted in New Jersey. This would yield approximately \$11 million in new revenue.



### Hazardous Waste Treatment and Disposal In New Jersey



**Air Toxics (\$6 million)** - According to the information gathered by the federal Environmental Protection Agency for the Right to Know program, approximately 11 million pounds of air toxics were released into the environment from sources in New Jersey in 2001. Air toxics, which are a subset of total air emissions, are suspected of causing cancer or other serious health effects such as reproductive or birth defects. Federal law requires the control of 188 air toxics, including benzene, which is found in gasoline, as well as methylene chloride (e.g., solvents and paint strippers), mercury, chromium, arsenic, and others. While this information reflects only the release of such toxics, and not the degree to which the public has been directly exposed to these chemicals, it exhibits the extent of toxic emissions in New Jersey.

Presently, Air Pollution fees on major stationary sources are confined to the 6 major criteria pollutants (e.g., carbon monoxide, ozone precursors) and not air toxics, which are not actively being permitted in New Jersey. In addition, State law currently limits Air Pollution emission fees to an inflation-adjusted rate of \$90 per ton, which may be insufficient to spur industry to use more benign alternative substances in their processes. Thus, a surcharge of \$10 per pound of air toxic emissions is recommended for fiscal 2005, which would raise an estimated \$6 million in new revenue. To limit the impact on specific emitters, the tax would be capped so that no facility would pay

more than \$500,000 per year. Most, in fact, would pay considerably less.

### Other Revenues

**Cigarette Tax (\$135 million)** – The proposed Fiscal 2005 Budget assumes \$135 million in additional revenue by increasing the cigarette tax from \$2.05 to \$2.50 per pack.

**Realty Transfer Fee (\$70 million)** – The Fiscal 2005 Budget proposes an increase in the realty transfer fee rate structure that adds approximately \$70 million in new revenue. The new rates apply to both resale and new construction activity with respective increases of \$59 million and \$11 million.

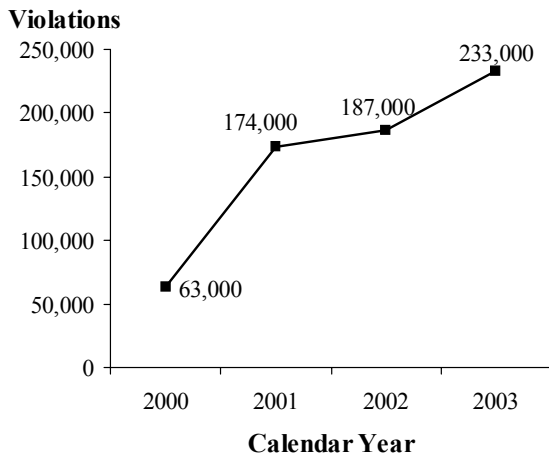
This proposal exempts house or property sales whose total value is less than \$150,000; however, if the sale is valued above \$150,000 the fee structure is based on the full amount of the sale. The fee consists of three components: general fund, county, and the Neighborhood Preservation – Fair Housing program that benefit at varying levels, but this increase is only for the benefit of the general fund. The aggregate rate increases from \$2.00 to \$2.75 for the first \$150,000, from \$3.35 to \$4.25 for the value of sales between \$150,000 and \$200,000 and from \$3.90 to \$4.75 for the value of sales \$200,000 and above.

**Motor Vehicle Surcharge (\$50 million)** – A new \$200 surcharge would be imposed on motorists found guilty or pleading guilty to unsafe driving. This new infraction was established in 2000, and is being used by a number of motorists to avoid points and surcharges. A total of 233,000 motorists did so in calendar year 2003. The basic surcharges were established in 1983 and neither the infractions nor amounts have changed. In addition, with the accumulation of six points on a driving record, the surcharge will be increased to \$150 from the current amount of \$100. Based on current data, the combined value of both of these would generate \$50 million.

## REVENUES & EXPENDITURES

### Motor Vehicle Surcharge

### Unsafe Driving Violations



**Wireless Communication/Cell Tower Assessment (\$33 million)** - A new franchise fee on wireless telephone services to provide enhanced 911 service as well as the ongoing cost of security and counterterrorism.

**Assessment on Houses Greater Than \$1 Million (\$24 million)** - The establishment of a new 1% fee on the purchase of homes in excess of \$1 million would generate approximately \$24 million. The fee on a \$1 million home would be \$10,000. This fee would differ from the current Realty Transfer Fee because the purchaser of the home, not the seller, would pay it. New York State has a similar fee arrangement.

### SPECIAL REVENUE OPPORTUNITIES

Special Revenue Opportunities represent resources that may only be available for the Fiscal 2005 Budget. Descriptions of the major special revenue opportunities proposed in the Fiscal 2005 Budget follow.

**New Revenue Securitizations (\$1.52 billion)** – Revenue from the cigarette tax increase and the additional funds raised through the new \$200 motor vehicle surcharge and the change in surcharges on the accumulation of points would be securitized to generate approximately \$1.52 billion in revenue for fiscal 2005.

The proposed surcharge securitizations would be somewhat similar to efforts in the past, such as the Joint Underwriting Association

(JUA)/Market Transition Facility (MTF), which utilized motor vehicle surcharge revenue from the years 1991-2011, as did the recent securitization for the Motor Vehicles Commission (i.e. surcharges from 2012 to 2015).

**State Disability Fund (\$110 million)** – The budget assumes an additional diversion of \$110 million from the State Disability Fund. The redirection of these monies to the General Fund will not adversely impact the payment of disability benefits to claimants nor will it trigger any increase in tax rates.

### Motor Vehicle Fee

**Acceleration (\$90 million)** – Currently vehicle registrations are paid on an annual basis. A change to require new vehicles to be registered for four years would generate \$90 million in fiscal 2005. Leased vehicles would pre-pay the car registration fee based on the length of the lease. The payment of registration for four years would mirror the inspection period for new vehicles. Under current law, new vehicles do not have to be inspected for four years. The accelerated payment of the registration fee would mean that a person who purchases a new vehicle would not have to visit the Motor Vehicle Commission for four years for either registrations or inspections.

### Enhanced Enforcement (\$25 million) –

A package of initiatives is recommended to bolster the State's ability to collect outstanding debt, expand collections to include out-of-state taxpayers operating in New Jersey, or improve enforcement of existing tax law, all of which are estimated to generate a total of \$25 million in new revenue during fiscal 2005.

- **Withholding on Real Estate Capital Gains by Non-Residents** - State tax withholding on capital gains by non-residents on real estate transactions would be required. An analysis by the Division of Taxation of non-resident real estate sales finalized during fiscal 2001 concluded that approximately 70% of the sellers were listed in the Division's tax files but did not have a 2000 or 2001 corporate or gross income tax

## REVENUES & EXPENDITURES

return. For another 21% of the transactions, there was no evidence of a taxpayer registered under the owner's name. This suggests that, in the vast majority of the cases, any potential capital gain is not being reported. Other states such as New York have recently enacted laws to implement this change.

- **Use Tax Agreements for Out-of-state Vendors** - To combat the underreporting of the use tax, several other states (e.g., Indiana, Virginia, North Carolina) have considered or adopted legislation requiring out-of-state vendors to sign use tax agreements on all of their transactions within that state as a condition of continuing to do business with state government. This particularly applies to providers of large equipment who presently do not have a general use tax agreement with New Jersey. Analysis suggests that out-of-state vendors sell at least \$182 million in tangible goods such as computers, furniture, and equipment to the State of New Jersey. For the largest non-state vendors, the threat of losing the State as a customer may be compelling enough for them to collect the use tax on the remainder of their New Jersey-related business transactions. Though this measure is difficult to quantify, it should be noted that Virginia, a similarly-sized state, recently estimated an annual revenue gain of \$5 million.
- **Upfront Withholding on Out-of-state Contractors** - To ensure that the proper tax liability is paid to the State, out-of-state contractors operating in New Jersey would pay an upfront withholding.
- **Expansion of SOIL Program** - The Setoff of Individual Liability (SOIL) program operated by the Division of Taxation will be expanded to include bad debt owed to municipal courts, New Jersey Transit debts, motor vehicle surcharges held by Division of Law, or debts owed to the Department of Community Affairs's Housing Inspection program. Most recently, the majority of the county colleges have expressed interest in

using SOIL. Aggressively pursuing outstanding debt through the SOIL program will enable them to increase financial support for ongoing operations.

- **Tax Clearance to Renew Professional Licenses** - To obtain a professional license or certification from State government, applicants would be required to obtain a tax clearance or proof of tax payment. This program, which would be coordinated with the Division of Taxation's existing SOIL program, would provide another means of collecting on outstanding debt. For applicants who owe money to the State, licenses and certifications would be suppressed until payment is made or a payment plan is arranged. Maryland implemented a similar provision and raised \$10 million.
- **Streamlined Bank Attachment Process** – New legislation is recommended to require banks to provide a list of all account holders to the State. The list would include name, social security number, and account balance and that information would be used by the Division of Taxation to levy the accounts. The state of Maryland has estimated they will generate \$10 million from this initiative. In conjunction with this, Maryland also enacted a streamlining to their bank attachment process. New Jersey would implement a similar program.

**Unclaimed Personal Property (\$8 million)** – New legislation would expand the unclaimed property law to include gift cards, gift certificates and other similar instruments. When unclaimed by the owner for more than three years, they would be presumed to be abandoned and would escheat to the State.

Escheating property to the State gives the public the potential availability of discovering and recovering their funds on a timelier basis. Institutions, as the custodian, frequently impose fees that erode the balances, whereas, the State does not.

## **REVENUES & EXPENDITURES**

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**Charity Care (\$115 million)** – In order to offset the reduction in the Unemployment Insurance Fund diversion that supports Charity Care, these revenue solutions are recommended:

The new proposal is for an annual assessment on ambulatory medical facilities (\$31 million) and a new \$5 charge on hospital outpatient visits (\$34 million). It also raises the existing hospital assessment from .53% of annual revenues to .70% (\$50 million); however, funding to hospitals will actually increase due to increases in recommended State funding and matching federal funds.

# NOTES

# REVENUES & EXPENDITURES

## STATEMENT OF ESTIMATED REVENUES AND EXPENDITURES

A description of the major categories of anticipated revenue sources within the five funds and a description of the principal taxes are discussed in the following.

### GENERAL FUND

#### Major Taxes

The Major Taxes category is composed of fourteen taxes or fees which are levied within the State. The majority of the revenue is generated from the sale and use of goods and services; general business taxes, which are received from various corporations; motor vehicle fees; and other excise taxes. A description of principal sources, all raising more than \$200 million, follows:

The Sales and Use Tax Act imposes a tax at the rate of 6 percent on receipts from retail sale, rental or use of tangible personal property; retail sale of producing, fabricating, processing, installing, maintaining, repairing, storing and servicing tangible personal property; certain advertising services; sales of restaurant meals; rental of hotel and motel rooms; telecommunications; alcohol; cigarettes; non-prescription drugs; soaps and detergents; disposable paper products; and certain admission charges. Sales of food, clothing, and personal and business services not specifically enumerated in the law are exempt.

The Corporation Business Tax imposes a franchise tax for the privilege of having or exercising a corporate charter or doing business, employing or owning capital or property, or maintaining an office in New Jersey. The corporate tax or alternative minimum assessment is applicable to every corporation not expressly exempted.

The Motor Fuels Tax applies to sales of gasoline, diesel fuel, or liquified petroleum gas and compressed natural gas used in motor vehicles on public highways. The tax is \$.105 per gallon for gasoline and \$.135 per gallon for diesel fuel, and half the gasoline rate for other gases.

The Cigarette Tax is imposed at a rate per cigarette. The tax is collected primarily from licensed distributors who receive the cigarettes directly from out-of-state manufacturers.

The Insurance Premium Tax applies to premiums collected on insurance risks by every insurance company transacting business in New Jersey. The tax base is gross contract premiums less specified deductions.

The Transfer Inheritance Tax applies to the transfer of personal property and New Jersey real property in estates. The tax rates depend on the amount received and the relationship between the decedent and the beneficiary. No tax is imposed on immediate family or spouses.

The Motor Vehicle Fees include automobile and truck registrations, drivers' licenses, and miscellaneous fees collected by the Division of Motor Vehicles.

The Petroleum Products Gross Receipts Tax is imposed on all companies engaged in the refining/distribution of petroleum products in the State. It only applies to the first sale (not exports) of petroleum products in the State.

The Realty Transfer Fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State of New Jersey and is calculated based on the amount of consideration paid.

#### Miscellaneous Taxes, Licenses, and Other Departmental Fees

This category includes revenues received by the various State agencies. Typical items include license and inspection fees, recreation and boating fees, institutional and patient fees, investment earnings, and other similar items.

#### Interfund Transfers

The Interfund Transfer category includes monies which were received into various capital projects, special revenue, proprietary, and private purpose trust funds because of legal or statutory requirements, and then subsequently transferred into the General Fund as anticipated revenue for expenditure purposes. Included in these types of revenue are the monies received by the State Lottery and interest earned on investment of bond funds.

### PROPERTY TAX RELIEF FUND

The Gross Income Tax is a graduated tax levied on gross income earned or received by New Jersey resident and non-resident individuals, estates and trusts. All monies in the fund must be appropriated exclusively for reducing or offsetting property taxes.

### GUBERNATORIAL ELECTIONS FUND

A taxpayer can voluntarily indicate that \$1 of income tax can be set aside into this special fund. Such monies are used to finance a portion of the expenses of gubernatorial primary and general elections.

### CASINO REVENUE FUND

An 8 percent tax on the gross revenue of all casinos is deposited into the Casino Revenue Fund. In addition, there are five other taxes/fees imposed as follows: Casino Net Income Tax, Casino Complimentary Tax, Casino Room Fee, Progressive Slot Tax, and Casino Parking Tax. All monies in this fund must be used for reduction in property taxes, and utility and rental charges of eligible disabled and senior citizens.

### CASINO CONTROL FUND

License fees for the issuance of annual renewal of casino licenses, slot machines, non-refundable deposits for each application for a license, and fees for the issuance of various work permits are deposited into the Casino Control Fund. Such revenues are used to support the operation of the Casino Control Commission and the Division of Gaming Enforcement.

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Major Taxes</b>			
Sales .....	5,936,058	6,235,000	6,575,000
Corporation Business .....	2,525,446	2,247,000	2,403,240
Cigarette .....	478,536	595,000	708,000
Transfer Inheritance .....	445,311	510,000	572,000
Motor Fuels .....	530,956	540,000	549,000
Insurance Premium .....	373,276	430,000	473,000
Motor Vehicle Fees .....	445,691	233,094	323,094
Realty Transfer .....	109,279	187,000	275,000
Petroleum Products Gross Receipts .....	214,418	205,000	205,000
Corporation Banks and Financial Institutions .....	128,451	140,000	144,000
Alcoholic Beverage Excise .....	83,075	86,000	88,000
Tobacco Products Wholesale Sales .....	9,292	10,000	10,000
Public Utility Excise (Reform) .....	9,550	8,700	8,700
Savings Institutions .....	9,485	—	—
<i>Total Major Taxes</i> .....	<i>11,298,824</i>	<i>11,426,794</i>	<i>12,334,034</i>
<b>Miscellaneous Taxes, Fees, Revenues</b>			
Executive Branch—			
Department of Agriculture:			
Animal Health – Laboratory Test Fees .....	142	—	—
Environmental Services .....	142	—	—
Fertilizer Inspection Fees .....	524	291	291
Milk Control Licenses and Fees .....	369	—	—
Miscellaneous Revenue .....	345	4	4
	1,522	295	295
Department of Banking and Insurance:			
Actuarial Services .....	45	52	52
Bank Assessments .....	3,946	3,800	3,800
Banking – Examination Fees .....	2,198	2,260	2,260
Banking – Licenses and Other Fees .....	6,735	6,900	6,000
FAIR Act Administration .....	17,579	15,000	15,000
Fraud Fines .....	—	2,000	2,000
Insurance – Special Purpose Assessment .....	13,313	13,210	16,500
Insurance Examination Billings .....	1,845	2,000	2,100
Insurance Fraud Prevention .....	32,954	33,843	34,000
Insurance Licenses and Other Fees .....	10,958	12,330	12,530
Public Adjusters Licenses .....	140	—	—
Real Estate Commission .....	3,928	7,600	5,000
	93,641	98,995	99,242
Department of Community Affairs:			
Affordable Housing and Neighborhood Preservation – Fair Housing .....	54,653	19,767	19,767
Boarding Home Fees .....	414	476	—
Construction Fees .....	15,130	12,372	12,372
Divorce Filing Fees .....	—	1,202	1,276
Fire Safety .....	19,715	14,745	14,745
Hackensack Meadowlands Development Commission .....	64,869	—	—
Housing Inspection Fees .....	8,390	7,508	7,508
Miscellaneous Revenue .....	95	—	—
Planned Real Estate Development Fees .....	1,777	828	828
Truth In Renting .....	143	—	—
	165,186	56,898	56,496
Department of Corrections:			
Miscellaneous Revenue .....	3	—	—

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Education:			
Audit Recoveries .....	1,163	1,000	1,000
Audit of Enrollments .....	2,208	1,600	1,600
Local School District Loan Recoveries–NJEDA .....	9,551	9,231	9,126
Miscellaneous Revenue .....	167	125	125
Nonpublic Schools Handicapped and Auxiliary Recoveries .....	11,330	5,000	5,000
Nonpublic Schools Textbook Recoveries .....	1,398	1,365	1,365
School Construction Inspection Fees .....	1,799	3,172	3,246
State Board of Examiners .....	2,456	2,554	2,554
	<u>30,072</u>	<u>24,047</u>	<u>24,016</u>
Department of Environmental Protection:			
Air Pollution Fees .....	17,244	17,500	18,950
Air Pollution Fines .....	2,412	3,500	3,500
Air Toxics Surcharge .....	—	—	6,000
Clean Water Enforcement Act .....	2,290	2,700	2,700
Coastal Area Development Review Act .....	1,275	1,800	1,800
Endangered Species Tax Checkoff .....	292	269	269
Environmental Infrastructure Financing Program–Administrative Fee .....	1,000	5,000	5,000
Excess Diversion .....	293	240	283
Freshwater Wetlands Fees .....	2,359	2,800	2,800
Freshwater Wetlands Fines .....	142	50	50
Hazardous Discharge Site Cleanup .....	9,684	—	—
Hazardous Waste Disposal Fee .....	—	—	11,000
Hazardous Waste Fees .....	704	2,130	2,230
Hazardous Waste Fines .....	1,315	632	400
Hunters' and Anglers' Licenses .....	13,010	12,897	12,897
Industrial Site Recovery Act .....	1,383	1,200	1,200
Laboratory Certification Fees .....	785	750	780
Laboratory Certification Fines .....	15	30	20
Marina Rentals .....	880	880	885
Marine Lands – Preparation and Filing Fees .....	1,620	170	170
Medical Waste .....	3,952	3,800	3,800
Miscellaneous Revenue .....	—	22	—
New Jersey Pollutant Discharge Elimination System/Stormwater Permits .....	15,425	12,100	12,100
New Jersey Spill Compensation Fund .....	4,737	—	—
Parks Management Fees and Permits .....	4,205	4,300	4,300
Parks Management Fines .....	177	183	184
Pesticide Control Fees .....	4,219	4,000	4,000
Pesticide Control Fines .....	47	40	40
Petro Chemical Environmental Impact Fee .....	—	—	150,000
Pollution Prevention Fund .....	808	—	—
Radiation Protection Fees .....	4,625	3,145	4,701
Radiation Protection Fines .....	110	80	90
Radon Testers Certification .....	257	258	260
Recycling Fund .....	4	—	—
Safe Drinking Water Fund .....	1,174	—	—
Shellfish and Marine Fisheries .....	4	7	7
Solid Waste – Utility Regulation Assessments .....	3,063	3,100	3,100
Solid Waste Fines – DEP .....	1,030	700	700
Solid Waste Management Fees – DEP .....	7,272	5,980	13,303
Solid and Hazardous Waste Disclosure .....	2,980	3,000	3,000
Spring Meadow Golf Course .....	279	300	300
Stormwater Permits .....	—	5,800	5,800
Stream Encroachment .....	2,011	2,600	2,600
Toxic Catastrophe Prevention Fees .....	1,179	1,250	1,550
Toxic Catastrophe Prevention Fines .....	4	25	40
Treatment Works Approval .....	1,137	1,492	2,073
Underground Storage Tanks Fees .....	1,091	1,000	1,000
Water Allocation .....	686	3,272	2,050
Water Supply Fund .....	40	—	—
Water Supply Management Regulations .....	1,795	1,475	1,387
Water/Wastewater Operators Licenses .....	208	215	215
Waterfront Development Fees .....	1,567	2,400	2,400
Well Permits/Well Drillers/Pump Installers Licenses .....	1,004	1,100	1,070
Wetlands .....	4	24	24



# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Worker Community Right to Know – Fees .....	75	—	—
Worker Community Right to Know – Fines .....	49	42	60
	121,921	114,258	291,088
<b>Department of Health and Senior Services:</b>			
Admission Charge Hospital Assessment .....	6,000	6,000	6,000
Animal Control Act .....	299	—	—
Clinical Laboratory .....	577	—	—
Consumer Health Penalties .....	3,090	—	—
HMO Covered Lives .....	3,019	2,600	2,600
Health Care Reform .....	1,200	1,200	1,200
Licenses, Fines, Permits, Penalties & Fees .....	3,412	790	790
Miscellaneous Revenue .....	1,512	400	400
Pharmaceutical Assistance to the Aged – Recoveries .....	2,036	—	—
Rabies Control .....	483	—	—
	21,628	10,990	10,990
<b>Department of Human Services:</b>			
Child Care Licensing/Adoption Law .....	300	325	350
Commission for the Blind – Miscellaneous .....	656	—	—
Early Periodic Screening, Diagnosis and Treatment .....	200	3,000	3,000
Interim Assistance .....	459	—	—
Marriage License Fees .....	1,383	1,309	1,450
Medicaid Uncompensated Care – Acute .....	257,932	301,579	309,942
Medicaid Uncompensated Care – Mental Health .....	30,475	32,414	31,307
Medicaid Uncompensated Care – Psychiatric .....	185,290	171,088	178,685
Medical Assistance – Recoveries .....	19,869	—	—
Medical Assistance–Federal Match on PAAD/Medicaid Dual Eligibles .....	1,112	1,500	2,200
Miscellaneous Revenue .....	2,179	1,500	48,500
Patients’ and Residents’ Cost Recovery – Developmental Disability .....	15,886	14,792	14,809
Patients’ and Residents’ Cost Recovery – Psychiatric Hospitals .....	56,519	52,592	61,643
Payments for Medical Assistance Recipients – Prescription Drugs .....	132,724	—	—
Purchased Institutional Care .....	4,120	—	—
School Based Medicaid .....	22,100	20,000	20,000
	731,204	600,099	671,886
<b>Department of Labor and Workforce Development:</b>			
Miscellaneous Revenue .....	—1	—	—
Special Compensation Fund .....	2,279	1,660	1,670
State Disability Benefits Fund .....	5,988	—	—
Urban Enterprise Zone Administration Cost .....	17	—	—
Workers’ Compensation Assessment .....	16,875	11,938	12,014
Workforce Development .....	7,541	—	—
Workplace Standards – Licenses, Permits and Fines .....	8,727	2,820	2,820
	41,426	16,418	16,504
<b>Department of Law and Public Safety:</b>			
Authorities Recruit Class Reimbursement .....	—	—	2,500
Beverage Licenses .....	6,783	3,960	3,960
<b>Division of Consumer Affairs:</b>			
<b>General Revenues:</b>			
Charities Registration Section .....	1,446	695	695
Consumer Affairs .....	3,906	—	—
Controlled Dangerous Substances .....	871	100	100
Legalized Games of Chance Control .....	1,217	1,200	1,200
Private Employment Agencies .....	674	258	258
Securities Enforcement .....	12,230	16,047	8,994
Weights and Measures – General .....	3,472	2,612	2,612
<b>Professional Examining Boards:</b>			
New Jersey Cemetery Board .....	266	50	132
State Board of Architects .....	956	375	480
State Board of Audiology and Speech–Language Pathology Advisory .....	51	100	25

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
State Board of Certified Psychoanalysts . . . . .	—	50	50
State Board of Certified Public Accountants . . . . .	2,315	220	176
State Board of Chiropractors . . . . .	416	450	240
State Board of Cosmetology and Hairstyling . . . . .	5,764	1,000	2,680
State Board of Dentistry . . . . .	454	850	280
State Board of Electrical Contractors . . . . .	1,829	120	40
State Board of Marriage Counselor Examiners . . . . .	651	200	400
State Board of Master Plumbers . . . . .	1,047	300	640
State Board of Medical Examiners . . . . .	11,752	2,600	4,400
State Board of Mortuary Science . . . . .	597	400	320
State Board of Nursing . . . . .	6,783	6,050	3,900
State Board of Occupational Therapists and Assistants . . . . .	104	140	60
State Board of Ophthalmic Dispensers and Ophthalmic Technicians . . . . .	89	135	48
State Board of Optometrists . . . . .	713	75	400
State Board of Orthotics and Prosthetics . . . . .	67	50	80
State Board of Pharmacy . . . . .	2,948	556	760
State Board of Physical Therapy . . . . .	244	250	120
State Board of Professional Engineers and Land Surveyors . . . . .	612	850	360
State Board of Professional Planners . . . . .	87	75	40
State Board of Psychological Examiners . . . . .	854	225	180
State Board of Real Estate Appraisers . . . . .	211	885	120
State Board of Respiratory Care . . . . .	53	125	25
State Board of Shorthand Reporting . . . . .	55	60	25
State Board of Social Workers . . . . .	2,152	700	700
State Board of Veterinary Medical Examiners . . . . .	545	150	360
Criminal Disposition . . . . .	444	—	—
EDA School Construction Recoveries . . . . .	—	800	800
General Client Services . . . . .	31,214	—	—
Legal Services . . . . .	20,639	—	—
Miscellaneous Revenue . . . . .	494	—	—
Pleasure Boat Licenses . . . . .	3,317	3,200	3,200
Retired Officer Handgun Permit . . . . .	217	—	—
Safe & Secure Receipts . . . . .	306	—	—
State Police – Fingerprint Fees . . . . .	10,328	2,694	2,694
State Police – Other Licenses . . . . .	237	204	204
State Police – Private Detective Licenses . . . . .	450	220	220
State Police Recruit Training . . . . .	64	—	—
Victim and Witness Advocacy Fund . . . . .	1,186	—	—
Violent Crime Compensation . . . . .	8,060	3,930	3,930
	<u>149,170</u>	<u>52,961</u>	<u>48,408</u>
Department of Military and Veterans' Affairs:			
Miscellaneous Revenue . . . . .	1,490	—	—
Soldiers' Homes . . . . .	25,202	27,242	28,765
	<u>26,692</u>	<u>27,242</u>	<u>28,765</u>
Department of Personnel:			
Examination Fees . . . . .	1,269	—	—
Human Resource Development Institute . . . . .	3,354	—	—
	<u>4,623</u>	<u>—</u>	<u>—</u>
Department of State:			
Miscellaneous Revenue . . . . .	382	—	—
Department of Transportation:			
Air Safety Fund . . . . .	372	965	965
Applications and Highway Permits . . . . .	1,389	1,300	1,775
Auto Body Repair Shop Licensing . . . . .	555	19	15
Autonomous Transportation Authorities . . . . .	24,500	24,500	2,500
Drunk Driving Fines . . . . .	380	350	350
Good Driver . . . . .	60,279	61,000	61,000
Graduated Driver's License . . . . .	1,337	1,600	1,600
Heavy Duty Diesel Fines . . . . .	401	640	640
Interest on Purchase of Right of Way . . . . .	5	5	5

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Logo Sign Program Fees . . . . .	540	300	300
Miscellaneous Revenue . . . . .	5	—	—
Motor Vehicle Database—Automated Access . . . . .	59,067	55,327	55,327
Motor Vehicle Fees . . . . .	115	—	—
Motor Vehicle Inspection Fund . . . . .	79,174	76,710	76,710
Motor Vehicle Security – Responsibility Law Administration . . . . .	13,557	—	—
Motor Vehicle Surcharge Program . . . . .	638	360	360
Outdoor Advertising . . . . .	1,559	10,740	10,740
Petitions and Motor Carrier Inspections . . . . .	784	—	—
Photo Licensing . . . . .	3,623	46	—
Placarded Railcar . . . . .	57	—	—
Rental Receipts – Tenant Relocation Program . . . . .	372	—	—
Salvage Title Program . . . . .	1,111	980	980
School Bus Inspection Fee . . . . .	1,169	—	—
Special Plate Fees . . . . .	1,029	750	750
Uninsured Motorists Program . . . . .	3,429	3,400	3,400
	<u>255,447</u>	<u>238,992</u>	<u>217,417</u>
Department of the Treasury:			
Assessment on Houses Greater Than \$1 Million . . . . .	—	—	24,000
Assessments – Cable TV . . . . .	3,738	3,976	3,976
Assessments – Public Utility . . . . .	23,733	24,815	24,600
Casino Fines . . . . .	601	—	—
Coin Operated Telephones . . . . .	4,213	4,100	4,100
Commercial Recording – Expedited . . . . .	3,077	2,853	2,853
Commissions . . . . .	1,233	1,000	1,000
Communication Fee – Lottery . . . . .	284	—	—
Cost Assessment . . . . .	3,164	—	—
Dormitory Safety Trust Fund – Debt Service Recovery . . . . .	—	5,472	5,731
Equipment Leasing Fund – Debt Service Recovery . . . . .	4,014	4,169	4,642
Escrow Interest – Construction Accounts . . . . .	26	15	15
Fund for the Support of Free Public Schools . . . . .	25,436	—	—
General Revenue – Fees . . . . .	26,884	31,580	32,080
Higher Education Bond Interest Recoveries . . . . .	5,270	—	—
Higher Education Capital Improvement Fund – Debt Service Recovery . . . . .	—	9,255	11,250
Hotel Occupancy Tax . . . . .	—	111,400	86,805
Investment Earnings . . . . .	26,342	—	—
Miscellaneous Revenue . . . . .	2,195	260	260
NJ Economic Development Authority . . . . .	—	22,025	2,200
NJ Public Records Preservation . . . . .	—	—	39,000
New Jersey Redevelopment Authority . . . . .	—	9,000	—
New Revenue Securitizations . . . . .	—	—	1,520,000
Nuclear Emergency Response Assessment . . . . .	4,000	4,011	4,073
ODS Mediation Fees . . . . .	128	158	158
Public Defender Client Receipts . . . . .	5,071	5,340	5,340
Public Utility – Customer Specific Tax . . . . .	1,986	1,998	1,998
Public Utility Fines . . . . .	472	500	—
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer) . . . . .	76,491	69,000	69,000
Railroad Tax – Class II . . . . .	3,135	3,100	3,100
Railroad Tax – Franchise . . . . .	1,091	590	590
Rate Payer Advocate . . . . .	6,648	6,769	6,769
Sale of Real Property . . . . .	942	3,600	18,100
Second Referral Debt Collection—Hospitals . . . . .	—	—	22,251
State Disability Benefits Fund . . . . .	22	—	—
Stormwater Management—Combined Sewer Overflow . . . . .	1,123	—	—
Surplus Property . . . . .	724	950	950
Tax Audit Services – Uncollected Revenue Recovery . . . . .	239	—	—
Tax Enforcement . . . . .	—	—	25,000
Tire Clean—Up Surcharge . . . . .	—	—	12,300
Transitional Energy Facilities Assessment . . . . .	233,037	211,000	211,000
Wireless Communications/Cell Tower Assessment . . . . .	—	—	33,000
	<u>465,319</u>	<u>536,936</u>	<u>2,176,141</u>

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Other Sources:			
Miscellaneous Revenue .....	822	500	500
Interdepartmental Accounts:			
Administration and Investment of Pension & Health Benefit Funds – Recoveries .....	52,300	48,000	47,000
Employee Maintenance Deductions .....	300	300	300
Fringe Benefit Recoveries from Colleges and Universities .....	82,570	101,000	103,000
Fringe Benefit Recoveries from Federal and Other Funds .....	102,178	156,825	159,825
Fringe Benefit Recoveries from School Districts .....	23,282	31,000	32,000
Indirect Cost Recoveries – DEP Other Funds .....	9,980	10,790	11,040
Indirect Cost Recovery – Federal and Other Funds .....	240	—	—
MTF Revenue Fund .....	52,707	105,647	97,500
Miscellaneous Revenue .....	84	—	—
NJ Surplus Lines Guaranty Fund .....	43,352	—	—
Rent of State Building Space .....	1,414	1,376	1,376
Social Security Recoveries from Federal and Other Funds .....	43,429	44,000	45,000
Standard Offer Payments – Utilities .....	1,090	—	—
	<u>412,926</u>	<u>498,938</u>	<u>497,041</u>
Judicial Branch			
The Judiciary:			
Civil Arbitration Program .....	3,148	—	—
Court Fees .....	55,027	61,015	59,515
Court Unification County Reimbursements .....	—	2,200	—
Miscellaneous Revenue .....	343	—	—
	<u>58,518</u>	<u>63,215</u>	<u>59,515</u>
<i>Total Miscellaneous Taxes, Fees, Revenues</i> .....	<u>2,580,502</u>	<u>2,340,784</u>	<u>4,198,304</u>
<b>Interfund Transfers</b>			
Beaches and Harbor Fund .....	23	15	15
Clean Waters Fund .....	70	21	18
Correctional Facilities Construction Fund .....	10	6	6
Correctional Facilities Construction Fund – 1987 .....	80	21	7
Cultural Center and Historic Preservation Fund – 1987 .....	81	40	35
Developmental Disabilities Waiting List Reduction Fund .....	599	220	129
Dredging and Containment Facility Fund .....	—	338	338
Emergency Flood Control Fund .....	6	7	7
Emergency Service Fund .....	2,900	—	—
Energy Conservation Fund .....	—	—	15
Enterprise Zone Assistance Fund .....	41,535	2,552	2,050
Fund for the Support of Free Public Schools .....	4,900	—	—
Garden State Farmland Preservation Trust Fund .....	1,650	1,764	1,764
Garden State Green Acres Preservation Trust Fund .....	4,495	5,006	5,006
Garden State Historic Preservation Trust Fund .....	403	489	609
Hazardous Discharge Fund .....	6	2	2
Hazardous Discharge Site Cleanup Fund .....	17,452	18,469	17,637
Housing Assistance Fund .....	77	54	50
Human Services Facilities Construction Fund .....	4	1	—
Institutions Construction Fund .....	—	1	1
Jobs, Education and Competitiveness Fund .....	224	85	50
Jobs, Science and Technology Fund .....	1	—	—
Judiciary Bail Fund .....	517	300	300
Judiciary Child Support and Paternity Fund .....	433	275	275
Judiciary Probation Fund .....	150	105	105
Judiciary Special Civil Fund .....	45	30	30
Judiciary Superior Court Miscellaneous Fund .....	91	55	55
Legal Services Trust Fund .....	10,071	10,750	10,750
Medical Education Facilities Fund .....	9	5	5
Mortgage Assistance Fund .....	762	760	760
Motor Vehicle Security Responsibility Fund .....	4	4	4
NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund .....	198	74	55
Natural Resources Fund .....	65	15	38

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
New Jersey Green Acres Fund – 1983 .....	—	197	197
New Jersey Insolvent Health Maintenance Organization .....	445	250	—
New Jersey Spill Compensation Fund .....	13,571	14,841	21,661
Pineland Infrastructure .....	206	—	—
Pollution Prevention Fund .....	2,269	2,380	2,380
Public Purpose Buildings Construction Fund .....	5	1	1
Public Purpose and Community Based Facilities Construction Fund .....	186	74	42
Real Estate Guaranty Fund .....	—	1,000	—
Safe Drinking Water Fund .....	2,928	2,339	2,339
School Fund Investment Account .....	2,824	—	2,931
Shore Protection Fund .....	270	188	181
Solid Waste Services Tax Fund .....	111	50	50
State Disability Benefit Fund General Account .....	25,117	56,817	136,929
State Land Acquisition and Development Fund .....	16	8	5
State Lottery Fund .....	765,401	790,000	795,000
State Lottery Fund – Administration .....	22,097	21,491	21,491
State Recreation and Conservation Land Acquisition and Development – 1974 .....	387	12	5
State Recycling Fund .....	983	1,046	1,046
State of New Jersey Cash Management Fund .....	3,256	3,256	3,256
Statewide Transportation and Bridge Fund – 1999 .....	9,362	3,400	500
Supplemental Workforce Fund for Basic Skills .....	2,000	2,000	2,000
Tobacco Settlement Fund .....	1,556,674	1,612,410	—
Transportation Rehabilitation and Improvement Fund of 1979 .....	6	4	4
UMDNJ Self Insurance Fund .....	60,000	—	—
Unclaimed Insurance Payments .....	35	22	20
Unclaimed Personal Property Trust Fund .....	270,621	164,760	194,075
Unclaimed Utility Deposit .....	53	35	45
Unemployment Compensation Tax Auxiliary Fund .....	16,386	17,675	17,530
Universal Service Fund .....	—	72,000	72,000
Unsatisfied Claim and Judgment Fund .....	2,461	1,400	—
Wage and Hour Trust Fund .....	18	75	75
Water Conservation Fund .....	44	28	20
Water Supply Fund .....	3,412	3,779	3,779
Worker and Community Right to Know Fund .....	2,396	3,484	3,484
Workforce Development Partnership Fund .....	40,742	43,839	17,042
<i>Total Interfund Transfers</i> .....	<u>2,891,143</u>	<u>2,860,325</u>	<u>1,338,204</u>
<b>Total State Revenues General Fund</b> .....	<b><u>16,770,469</u></b>	<b><u>16,627,903</u></b>	<b><u>17,870,542</u></b>
<b>PROPERTY TAX RELIEF FUND</b>			
Gross Income Tax .....	<u>6,735,282</u>	<u>7,240,000</u>	<u>7,843,000</u>
<b>CASINO CONTROL FUND</b>			
Investment Earnings .....	240	—	—
License Fees .....	65,147	59,370	63,700
<i>Total Casino Control Fund</i> .....	<u>65,387</u>	<u>59,370</u>	<u>63,700</u>
<b>CASINO REVENUE FUND</b>			
Casino Simulcasting Fund .....	2,000	700	700
Gross Revenue Tax .....	346,518	369,000	384,000
Investment Earnings .....	34	180	180
Newly Enacted Casino Taxes and Fees .....	—	90,000	94,000
PAAD Recoveries .....	73,532	—	—
<i>Total Casino Revenue Fund</i> .....	<u>422,084</u>	<u>459,880</u>	<u>478,880</u>

# REVENUES & EXPENDITURES

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## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>GUBERNATORIAL ELECTIONS FUND</b>			
Taxpayers' Designations .....	706	1,500	1,500
<b>TOTAL STATE REVENUES</b> .....	<b>23,993,928</b>	<b>24,388,653</b>	<b>26,257,622</b>

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Dedicated:</b>			
Executive Branch—			
Chief Executive:			
State Authority Review and Oversight .....	1,131	1,100	1,100
Department of Agriculture:			
Administration – Development Potential Transfer Bank .....	7	88	40
Administrative Costs – Farmland Preservation .....	440	500	651
Animal Disease Control .....	—	142	142
Commodity Distribution .....	1,854	1,501	1,501
Fruit and Vegetable Grading Service .....	375	162	162
Future Farmers of America – Student Loans from Department of Education .....	77	70	70
Horse Breeding and Development Fund .....	385	370	380
Marketing and Development Services .....	—	724	724
Nursery Inspection Program .....	—	260	260
Plant Pest and Disease Control .....	—	22	22
Poultry Service .....	931	816	810
Promotion/Market Development .....	—	70	70
Sire Stakes .....	4,179	4,200	4,300
Standardbred Breeder Awards .....	228	230	220
Stormwater Discharge Permit Fees .....	—	130	200
Miscellaneous .....	335	319	232
	8,811	9,604	9,784
Department of Banking and Insurance:			
Fines Collected by the Insurance Fraud Division .....	1,747	—	—
Individual Health Care Program Assessments .....	—	7,500	7,500
Public Adjusters Licensing .....	—	52	52
Small Employer Health Benefits .....	250	322	322
Supervision and Examination of Financial Institutions .....	—	250	400
Miscellaneous .....	77	64	64
	2,074	8,188	8,338
Department of Community Affairs:			
Fire Certification Program .....	16	283	318
Grants to Displaced Homemaker Centers .....	753	688	688
Historic Preservation License .....	21	25	25
Housing Code Enforcement .....	—	1,830	2,824
Housing Opportunities for Persons with AIDS .....	639	600	923
Housing Services .....	578	1,183	1,182
Individual Development Escrow .....	115	—	—
Lead Hazard Control Assistance Fund Administration .....	—	—	500
New Home Warranty Program .....	3,326	4,316	4,316
New Jersey Meadowlands Commission – Operations .....	—	3,205	3,205
New Jersey Meadowlands Tax Sharing Stabilization Fund .....	—	165	165
Paterson Housing Opportunities for Persons with AIDS Program .....	438	384	600
Planned Real Estate Development Full Disclosure Act .....	—	750	750
Prevention of Homelessness .....	222	243	243
Truth in Renting .....	—	143	143
Uniform Construction Code .....	—	8,507	9,364
Uniform Fire Code .....	—	6,512	9,548
Miscellaneous .....	458	1,125	1,125
	6,566	29,959	35,919
Department of Corrections:			
Administration and Support Services .....	23,440	23,426	22,850
Miscellaneous .....	598	465	419
	24,038	23,891	23,269
Department of Education:			
Abbott Implementation .....	—	11,287	11,751
Compliance and Auditing .....	452	1,550	1,550
Dodge Foundation Donation – Principal Recognition Program .....	18	—	—
Drug Abuse Education Fund .....	—	250	250
Early Childhood .....	—	2,638	2,702
Facilities Planning and School Building Aid .....	—	561	737

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Marie H Katzenbach School for the Deaf–Tuition–Local Boards . . . . .	7,366	7,149	7,637
NJ ELITE Grant Program . . . . .	123	129	129
Professional Development and Licensure . . . . .	1,959	1,913	2,004
Program for Medically Fragile/Behaviorially Difficult Deaf Pupils . . . . .	733	906	1,160
Rental of Vacant Building Space . . . . .	117	352	459
State Action for Education Leadership Project . . . . .	63	63	50
Utility Settlement Receipts . . . . .	4,000	703	—
Vocational Technology Upgrade . . . . .	200	200	200
Whole School Reform Finance . . . . .	—	224	232
Miscellaneous . . . . .	100	294	264
	<u>15,131</u>	<u>28,219</u>	<u>29,125</u>
Department of Environmental Protection:			
Administrative Costs Water Supply Bond Act of 1981 – Management . . . . .	—	20	325
Administrative Costs Water Supply Bond Act of 1981 – Planning and Standards . . . . .	—	17	28
Administrative Costs Water Supply Bond Act of 1981 – Watershed and Aquifer . . . . .	—	25	50
Aeroflex Foundation – Kittatinny Valley State Park . . . . .	25	—	—
Air Fines . . . . .	—	—	600
Artificial Reef Program–PSE&G/NJPDES Permit Fees . . . . .	275	—	—
Battleship New Jersey Memorial Fund . . . . .	226	160	160
Battleship New Jersey Tax Check–Off . . . . .	85	90	90
Board of New Jersey Pilot Commissioners . . . . .	270	270	270
Drinking Water State Revolving Fund – Capacity Development . . . . .	279	800	452
Drinking Water State Revolving Fund – Delineation and Assessments . . . . .	500	850	—
Drinking Water State Revolving Fund – Operator Certification . . . . .	248	800	147
Drinking Water State Revolving Fund – Program Administration . . . . .	1,598	1,023	1,159
Drinking Water State Revolving Fund – Small System Technical Assistance . . . . .	323	500	608
Drinking Water State Revolving Fund – Source Water Program Administration . . . . .	555	800	500
Endangered and Nongame Species of Wildlife Fund . . . . .	315	200	235
Exotic and Nongame Species Inspection Fund . . . . .	147	200	189
Farley Marina Escrow . . . . .	278	257	257
Fish & Wildlife Field Office Projects . . . . .	—	30	1
Forest Resource Management Special Revenue . . . . .	252	200	200
Greenhouse Gas Action Plan . . . . .	—	239	239
Hackettstown Pequest Hatchery Donations . . . . .	73	—	—
Hazardous Discharge Site Cleanup Fund– Responsible Party . . . . .	—	8,581	10,496
Land Use Fines . . . . .	—	—	600
Landscape Irrigation Contractor Certification . . . . .	168	45	45
Liberty State Park License Plates . . . . .	100	50	50
Mammography Quality Standards Act . . . . .	268	287	287
New Jersey Outdoors . . . . .	88	—	—
New Jersey Waterfowl Stamp Act . . . . .	43	43	43
Nuclear Emergency Response . . . . .	—	—	928
Office of Dredging and Sediment Technology . . . . .	—	—	225
Oil Spill Prevention . . . . .	—	1,098	1,144
PSE&G Delaware River Striped Bass Recruitment Study . . . . .	—	31	27
PSE&G New Jersey Pollutant Discharge Elimination System Artificial Reef . . . . .	—	80	—
Palisades Interstate Park Commission (PIPC) – Court Fund Revenue . . . . .	—	508	505
Palisades Interstate Park Commission (PIPC) – Gas Station Revenue . . . . .	—	2,230	2,230
Palisades Interstate Park Commission (PIPC) – Operating Fund Revenue . . . . .	—	1,057	1,060
Parks Management Fees . . . . .	—	1,300	1,300
Parks Management Revolving Fund . . . . .	612	625	693
Pollution Prevention . . . . .	—	701	704
Private Well Testing – Safe Drinking Water Fund . . . . .	—	600	800
Recycling of Solid Waste . . . . .	—	380	415
Remediation Management and Response . . . . .	—	5,297	5,885
Safe Drinking Water Fund . . . . .	—	1,080	1,298
Sedge Island . . . . .	16	15	10
Shellfish Enforcement . . . . .	126	130	130
Shellfish Management . . . . .	146	110	72
Shore Protection Fund Projects . . . . .	14	2,500	6,250
Shore Protection License Plates . . . . .	981	1,000	1,000
Spring Meadow Golf Course . . . . .	852	850	850
State Public Water System Supervision Program . . . . .	128	1,013	312
State Revolving Fund – Administrative Costs . . . . .	2,281	2,400	2,400
Tidelands Peak Demands . . . . .	—	1,772	2,265
Underground Storage Tanks . . . . .	—	448	—



# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Urban Forest Energy Efficiency Initiative .....	—	—	1,986
Water Pollution Fines .....	—	—	300
Worker and Community Right to Know Act .....	—	458	458
Miscellaneous .....	839	994	1,033
	12,111	42,164	51,311
<b>Department of Health and Senior Services:</b>			
AIDS Drug Distribution Program Rebates .....	10,284	6,500	8,000
Administrative Overhead – Non State Program .....	1,759	1,300	1,300
Alcohol Education Rehabilitation and Enforcement Fund .....	2,472	2,010	1,701
Alcohol Treatment Programs Fund .....	3,000	4,500	6,000
Animal Population Control Program – License .....	—	300	300
Certificate of Need Program .....	483	537	537
Clinical Laboratory Improvement Services .....	323	350	350
Drug Enforcement Demand Reduction Fund .....	—	350	350
Early Intervention – EIP Copays .....	76	4,000	7,000
Emergency Medical Services .....	77	—	79
Emergency Medical Technician Training Fund .....	95	1,800	1,800
Estrogen, Diet, Genetics and Endometrial Cancer .....	67	100	110
First Response EMT Cardiac Training Program .....	83	—	125
Health Care Cost Reduction Fund .....	18,510	39,100	45,237
Health Care Planning .....	7,200	7,200	7,200
Intergovernmental Transfer Payments .....	952,000	—	—
Lifeline HMFA Offset .....	25,000	—	—
Live Long Live Well .....	24	—	150
Managed Care Oversight .....	100	—	—
Medical Emergency Disaster Preparedness for Bioterrorism .....	—	7,500	7,500
NJ – AIDS Services Fund .....	13	—	—
NJ Emergency Medical Services Helicopter Response Program .....	—	1,894	1,894
Newborn Screening, Follow-up and Treatment .....	—	3,100	—
Office of the Public Guardian .....	341	600	600
Organ and Tissue Awareness Program .....	10	—	—
Partnerships for a Drug Free New Jersey .....	—	700	700
Prostate Cancer Study .....	57	50	—
Rabies Control Program .....	—	475	475
WIC Rebates .....	20,723	24,000	24,000
Worker and Community Right to Know .....	—	—	763
Miscellaneous .....	6,471	11,059	9,529
	1,049,168	117,425	125,700
<b>Department of Human Services:</b>			
SFEA Funds .....	37,876	27,432	27,432
Catastrophic Illness in Children Relief Fund .....	1,104	1,130	925
Children's Trust Fund .....	246	519	519
Client Co-Payments-Developmental Disabilities .....	26,109	38,630	38,630
Criminal History Record Checks .....	257	120	120
Domestic Violence Victims Fund .....	353	—	—
Legally Responsible Relatives-Probation-Supplement .....	2,202	1,308	2,054
Management and Administrative Services .....	—	475	475
Mental Health Contract Fees .....	—	316	316
NJ KidCare .....	41,543	42,846	49,851
New Jersey Health Care Hospital Payments .....	466,073	466,073	425,655
Old Age Survivors Insurance .....	1,619	2,238	1,492
Olmstead Grant .....	10	—	—
Personal Needs Allowance .....	—	600	600
SSA Reimbursement to Enhance the Vocational Rehabilitation .....	233	300	300
Traumatic Brain Injury .....	3,415	—	—
Miscellaneous .....	91	—	—
	581,131	581,987	548,369
<b>Department of Labor and Workforce Development:</b>			
Division of Workers Compensation Uninsured Employers .....	693	—	—
Enforcement of Workplace Standards – Receipts .....	—	2,844	2,844
Health Care Tax Collection .....	4,809	5,600	5,700
Private Disability Insurance Plan .....	—	1,000	1,000
Public Works Contractor Registration .....	—	1,355	1,355
Reimbursement to Unemployment Insurance for Joint Tax Functions .....	—	2,600	2,600

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Special Compensation Fund .....	135,397	125,345	126,400
State Disability Insurance Plan .....	—	3,750	3,750
State School Construction .....	1,564	—	—
Urban Enterprise Zones – Employer Rebate Awards .....	161	—	—
Workers' Compensation .....	—	6,100	6,300
Workforce Development Partnership – Counselors .....	—	610	740
Workforce Development Partnership Program .....	—	1,100	1,330
Workforce Literacy and Basic Skills Program .....	—	220	265
Miscellaneous .....	25	30	30
	<u>142,649</u>	<u>150,554</u>	<u>152,314</u>
Department of Law and Public Safety:			
Administration and Support Services .....	—	1,729	—
Atlantic County Detention Center .....	1,638	1,832	1,962
Backstretch Benevolence .....	224	210	210
Body Armor Replacement Fund – Administrative Costs .....	75	74	74
Charity Racing Day for the Developmentally Disabled .....	134	—	—
Claims – Victims of Crime .....	—	3,870	3,870
Commercial Vehicle Enforcement Program .....	—	8,431	9,890
Commissions Award Program .....	2,259	2,500	2,500
Consumer Affairs Charitable Registrations Program .....	—	720	720
Consumer Affairs Weights and Measures Program .....	—	800	800
Controlled Dangerous Substance Registration Program .....	—	650	650
Criminal Disposition and Revenue Collection Fund .....	—	375	375
Criminal Justice Cost Recovery .....	—	256	236
D.O.T./State Police Construction Detail .....	—	6,399	5,547
DNA CODIS Compliance .....	—	278	278
Division of Consumer Affairs–Appropriated Receipts .....	—	3,593	3,593
Election Law Enforcement .....	—	300	300
FBI Mitochondrial DNA Testing .....	—	810	810
Forfeiture Program .....	2,350	2,255	2,255
Insurance Fraud County Prosecutor Reimbursements .....	—	3,500	3,500
Insurance Fraud Operations .....	29,771	31,771	31,771
Investigative Unit .....	407	526	526
Law Enforcement Officers Training and Equipment Fund .....	716	—	—
Medical Examiner Services .....	6,303	6,800	7,004
Motorcycle Safety Education Fund .....	424	—	—
New Jersey Emergency Medical Service Helicopter Program .....	—	5,495	5,495
New Jersey Expressway Authority .....	4,064	4,696	6,222
New Jersey Parkway Authority .....	20,894	24,219	26,641
New Jersey Turnpike Authority .....	20,866	23,325	25,657
Noncriminal Records Checks .....	—	7,550	12,973
Northeast Hazardous Waste Project–RCRA .....	198	274	274
Office of Counter–Terrorism .....	—	7,200	7,200
Pari–Mutuel Racing in Accordance with N.J.S.A. 5:5–37 .....	240	671	717
Pre–Race Blood Testing and Chemical Testing Program .....	3,229	3,036	3,317
Private Employment Agencies–Appropriated Revenue .....	—	410	410
Racing Officials .....	898	1,082	1,123
Regulation of Alcoholic Beverages .....	—	4,740	4,721
Regulation of Racing Activities .....	3,270	3,389	3,694
Retired Officers Handgun Permits .....	—	140	140
SFEA Funds .....	25,785	32,491	36,013
Safe and Secure Neighborhoods Program .....	7,281	7,100	7,100
Securities Enforcement Fund .....	—	5,500	5,500
Sexual Assault Nurse Examiner Program .....	22	—	—
State Athletic Control .....	676	500	500
State Forensic Laboratory Fund Program .....	919	800	800
State Police Central Lab Operations .....	—	761	934
State Police DNA Laboratory Enhancement .....	—	3,625	3,625
State Police Equine Lab Unit .....	—	1,377	1,549
State Police Operations .....	—	2,543	2,338
State Police Recruit Training .....	—	300	51
State Police–Private Detective Receipts .....	—	330	450
State Veterinarians–New Jersey Racing Commission .....	486	670	686
Vehicle Rental Surcharge State Police Salaries .....	—	1,900	1,900
Victim and Witness Advocacy Fund .....	—	1,128	1,478

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
WTC Emergency Protective Measures – NJ Task Force One . . . . .	528	—	—
Miscellaneous . . . . .	2,213	2,246	2,246
	135,870	225,177	240,625
Department of Military and Veterans' Affairs:			
Burial Services . . . . .	—	480	500
Distance Learning Center . . . . .	8	—	15
New Jersey National Guard Support Services . . . . .	—	1,000	1,000
Transitional Housing . . . . .	—	512	509
Miscellaneous . . . . .	102	97	97
	110	2,089	2,121
Department of Personnel:			
Human Resource Development Institute . . . . .	—	1,760	1,700
Shared Services Agriculture . . . . .	—	218	233
Shared Services Center State Parole Board/Motor Vehicle Commission . . . . .	—	1,055	1,075
Shared Services Pilot Program . . . . .	—	663	724
State and Local Government Operations . . . . .	—	1,200	900
	—	4,896	4,632
Department of State:			
Department of State Bookstore . . . . .	6	—	—
Extraordinary Programming . . . . .	450	268	268
Historic Preservation Licenses . . . . .	9	—	—
Law Enforcement Officers Memorial Fund . . . . .	—	—	150
Lila Wallace Readers Digest Fund . . . . .	300	300	300
Museum Services . . . . .	34	115	115
NJ Underground Railroad Journey . . . . .	9	—	—
New Jersey College Loans to Assist State Students (NJCLASS) . . . . .	4,362	3,531	3,783
New Jersey Workforce Development Coalition Initiative . . . . .	1,363	—	—
Office of Faith Based Initiatives Donations . . . . .	17	—	—
Public Broadcasting Services . . . . .	7,318	7,326	7,326
Receipts Derived From the Leasing of Space on Transmitter Towers . . . . .	967	940	940
Receipts Derived From the Rental of Studio and Production Facilities . . . . .	1,547	1,800	1,800
Receipts Derived From the Sale or Rental of NJPTV Productions . . . . .	48	50	50
Records Management . . . . .	—	28,150	31,000
TV Food Network/Time Warner Capital Project . . . . .	425	1,050	1,200
The Primary Care Physician/Dentist Loan Redemption Program . . . . .	1,000	1,000	1,000
War Memorial . . . . .	478	—	527
Miscellaneous . . . . .	502	330	330
	18,835	44,860	48,789
Department of Transportation:			
Amnesty Surcharge . . . . .	—	250	—
Applications and Highway Permits . . . . .	—	1,775	1,775
Commercial Vehicle Enforcement Program . . . . .	18,205	13,640	13,640
Cost of "Cause" Plates . . . . .	242	—	—
County and Other Shared Projects . . . . .	9,380	—	—
Digitized Driver's License and Motor Vehicle Services Modernization . . . . .	8,638	—	—
Enhanced Surcharge Collection . . . . .	1,420	—	—
Graduated Driver's License . . . . .	10,250	—	—
Greenwood Lake Airport . . . . .	110	—	—
In-Terminal School Bus Inspection Program . . . . .	—	1,906	1,906
Insurance Verification System . . . . .	3,512	—	—
Logo Sign Program . . . . .	—	220	220
Maritime Industry Fund . . . . .	977	—	—
Motor Vehicle Inspection Fund . . . . .	579	—	—
Motor Vehicle Services . . . . .	8,100	201,885	204,504
Motorbus Regulation . . . . .	—	980	980
NJ Medical Service Helicopter Response Act . . . . .	7,281	—	—
New Jersey Motor Vehicle Commission New Revenues . . . . .	8,331	42,000	42,000
Outdoor Advertising Program . . . . .	—	880	880
Placarded Railcar Program . . . . .	—	76	76
Rental Receipts, Tenant Relocation Program . . . . .	—	347	347
Security Responsibility . . . . .	—	15,071	15,071
	77,025	279,030	281,399

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of the Treasury:			
Administration of State Lottery	—	260	260
Annual Licensing Fee—Office of Administrative Law Publications	862	860	860
BPU Fines, Penalties and Settlements	—	—	2,500
Capital City Redevelopment Corporation	119	378	378
Confiscations from the Cigarette Tax Act	—	125	125
Division of Developmental Disabilities Community Placement and Services	27,030	27,030	27,030
Domestic Security	19,077	—	—
Economic Recovery Fund	17,607	17,607	17,605
Energy Tax Receipts	755,000	762,739	787,739
Governor's Council on Alcoholism and Drug Abuse	14,527	13,700	13,700
Judicial Hearings Receipts	2,678	2,305	2,305
Management of the DEP Properties	—	555	572
New Jersey Commerce and Economic Growth Commission	—	1,850	—
New Jersey Public Records Preservation	—	42,000	—
OIT—Availability and Recovery Site (OARS)	—	—	7,182
Office of Management and Budget	21,775	8,930	8,930
Other Capital Building Services	2,685	2,327	2,327
Other Distributed Taxes	3,835	3,363	3,363
Property Management and Construction – Property Management Services	298	292	301
Public Finance Activities	—	700	700
Purchasing and Inventory Management	—	90	90
Real Property Leasing Out Program	—	528	546
Residential Warranty Corporation	148	150	150
Royalties—Office of Administrative Law Publications	156	67	67
Taxation Compliance and Enforcement Activities	—	3,100	3,100
Third Party Subrogation For Property Damage	—	480	500
Unclaimed Property Trust Fund	4,964	6,162	6,162
Urban Enterprise Zone (UEZ) Authority (P.L. 1993,c.367) Administrative Expenses	2,094	2,961	2,661
Vendor Surcharge Collection – DMV	12,000	12,600	11,600
Miscellaneous	957	470	475
	<u>885,812</u>	<u>911,629</u>	<u>901,228</u>
Interdepartmental Accounts:			
Statewide Security Projects	—	—	3,000
Judicial Branch—			
The Judiciary:			
Automated Traffic System for Municipal Courts	9,216	9,175	9,551
Civil Courts	373	426	462
Comprehensive Enforcement Program	2,323	2,004	2,004
Court Adult Probation System	457	440	500
Court Technology Improvement Fund	11,872	13,900	12,700
Electronic Access To Court Records	644	400	408
Family Courts	431	400	400
Information Services	304	256	304
JAIBG – Juvenile Assessment	89	—	—
JAIBG AT Juvenile Incentive Block	21	—	—
JAIBG SP School Probation	105	—	—
Mercer Welfare Fraud Grant	—	54	54
Service Learning Program—JAIBG Ocean County	51	—	—
Special Civil Part Certified Mailers	1,330	1,340	1,340
State Community Partnership	2	—	—
State Incentive Program – Juvenile Justice Commission	143	—	—
Supreme Court	9,664	11,067	12,025
Youth Transition To Work Professional Education	8	—	—
Miscellaneous	635	13	13
	<u>37,668</u>	<u>39,475</u>	<u>39,761</u>
<i>Total Dedicated</i>	<u>2,998,130</u>	<u>2,500,247</u>	<u>2,506,784</u>

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Federal:</b>			
Executive Branch—			
Department of Agriculture:			
Child Nutrition – Child Care .....	40,395	48,000	48,000
Child Nutrition – School Lunch .....	128,239	154,356	154,356
Cooperative Gypsy Moth Suppression .....	282	235	235
Farm Risk Management Education Program .....	336	307	307
Farmland Preservation .....	586	6,000	6,000
Fish Inspection Service .....	165	55	55
Food Distribution Administration Expense Fund .....	—	225	225
Jobs Bill – TEFAP .....	1,293	1,454	1,454
Child Nutrition – Administration .....	2,440	3,350	3,350
Child Nutrition – School Breakfast .....	19,625	30,000	30,000
Child Nutrition – Special Milk .....	860	1,400	1,400
Child Nutrition – Summer Programs .....	6,452	9,247	9,247
Team Nutrition Training .....	35	225	225
Various Federal Programs and Accruals .....	-4,368	1,104	1,104
	196,340	255,958	255,958
Department of Community Affairs:			
Community Services Block Grant .....	19,798	17,699	17,699
Emergency Shelter Grants Program .....	1,905	1,519	1,520
Fair Housing Initiatives Grant .....	55	—	—
HOPE for Elderly Independence Demonstration Program .....	214	—	—
HUD Disaster Recovery Initiative .....	1,523	—	—
Lead-Based Paint Abatement in Low and Moderate Income Housing .....	923	—	—
Moderate Rehabilitation Housing Assistance .....	11,520	11,550	11,925
National Affordable Housing—HOME Investment Partnerships .....	6,943	8,167	8,167
National Fire Academy Training Program .....	—	30	30
Permanent Housing for the Handicapped Homeless .....	181	—	—
Rape Prevention and Education .....	—	—	1,237
Section 8 Housing Voucher Program .....	156,052	159,000	163,600
Section 8 Operating Reserve Account .....	5	—	—
Shelter Plus Care Program .....	367	1,695	5,950
Small Cities Block Grant Program .....	11,468	9,746	9,746
Transitional Housing – Homeless .....	228	—	—
Weatherization Assistance Program .....	3,932	5,166	5,169
Various Federal Programs and Accruals .....	-4,606	241	166
	210,508	214,813	225,209
Department of Corrections:			
Project In-Side .....	352	514	541
Serious and Violent Offender Reentry Initiative .....	—	1,500	—
State Criminal Alien Assistance Program .....	7,193	7,000	3,832
Various Federal Programs and Accruals .....	4,334	50	50
	11,879	9,064	4,423
Department of Education:			
21st Century Schools .....	268	13,500	13,500
AIDS Prevention Education .....	614	263	263
Adult Basic Education – Administration/Discretionary .....	15,918	18,199	18,222
Bilingual and Compensatory Education – Homeless Children and Youth .....	695	1,238	1,238
Byrd Scholarship Program .....	1,089	1,200	1,200
Character Education Partnership .....	341	500	500
Class Size Reduction .....	2,613	—	—
Deaf/Blind Children Services – Administration/Discretionary .....	183	300	92
Drug-Free Schools and Communities – Administration .....	3,201	2,338	2,338
Drug-Free Schools and Communities – Discretionary .....	8,002	9,300	9,300
EESA, Title II – Math/Science Training, Exemplary .....	687	—	—
Educational Technology .....	10,359	13,274	13,274
Even Start Family Literacy Grant – Discretionary .....	3,803	5,150	5,150
Grants Management .....	—	2,460	2,460
IASA Consolidated Administration .....	5,041	5,331	5,331
IDEA – Handicapped .....	233,294	289,782	308,688
IDEA – Preschool Incentive Grant .....	11,046	12,373	12,373
Language Acquisition State Grants .....	11,086	16,041	16,041

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Mathematics and Science Partnerships Grants	—	2,249	1,800
Migrant Education – Administration/Discretionary	1,945	2,116	2,116
Public Charter Schools	2,604	4,000	4,000
Refugee Children School Impact Program	66	960	960
School Renovation Grants	9,857	—	—
State Assessments	4,251	9,321	9,321
State Grants for Improving Teacher Quality	61,051	70,703	70,703
State Improvement Grant, Administration	279	1,260	1,260
Title I – Accountability Grants	5,567	—	—
Title I – Comprehensive School Reform	6,913	7,850	7,850
Title I – LEA Disadvantaged	264,001	292,000	292,000
Title I – Part D, Neglected and Delinquent	1,573	1,981	2,047
Title I – Reading First State Grant	286	18,339	18,339
Title V – Innovative Program Strategies	11,213	10,914	10,914
Vocational Education – Basic Grants, Administration	24,550	24,553	24,551
Vocational Education Technical Preparation	2,408	2,251	2,251
Various Federal Programs and Accruals	1,402	2,107	2,107
	<u>706,206</u>	<u>841,853</u>	<u>860,189</u>
Department of Environmental Protection:			
Air Pollution Maintenance Program	5,844	6,319	6,319
Americorps	—	850	300
Artificial Reef Program–PSE&G/NJPDES Permit Fees	188	325	1,125
Asian Longhorned Beetle Project	—	—	100
Atlantic Coastal Cooperative Program	—	150	150
Boat Access (Fish and Wildlife)	—	1,000	1,000
Brownfields	—	5,000	5,000
Brownfields Preliminary Assessment/Site Investigation	—	1,500	—
Cape May Peninsula Project (Sandritter Property)	—	—	300
Cheesequake Marshland Acquisition	—	—	1,000
Clean Lakes Program	—	500	500
Clean Vessels	940	1,000	1,000
Climate Change Action Plan (Recycling of Landfill Gases)	—	100	—
Coastal Zone Management – 310	—	—	35
Coastal Zone Management – Federal Grant	—	1,000	—
Coastal Zone Management Implementation	3,791	6,100	6,165
Community Assistance Program	256	200	200
Community and Public Water Supply Operators – Expense Reimbursement	—	1,500	1,500
Comprehensive Coastal Water Quality Information Network Project	142	—	—
Comprehensive Wildfire Conservation Plan Coordination Federal Share	—	—	32
Consolidated Forest Management	1,180	1,049	1,374
Construction Grants Program	—	57,600	57,600
Countywide Wildfire Defense	—	—	50
Defensible Space	—	600	350
Delaware Bay	—	—	1,000
EPA Regional Applied Research	—	250	—
Economic Action Program	—	—	50
Endangered Species	31	75	75
Endangered and Nongame Species Program State Wildlife Grants	—	1,200	1,200
Environmental Justice	—	100	100
Estuary Program	357	—	—
Firewise in the Pines	—	350	200
Fish and Wildlife Health	8	189	190
Forest Legacy	—	10,010	10,040
Forest Resource Management–Cooperative Forest Fire Control	337	525	1,725
Forest Watershed Clean Water Action	45	—	—
Grassland Habitat Project	—	—	200
Hazardous Waste – Resource Conservation Recovery Act	4,438	4,281	4,281
Historic Preservation Survey & Planning	642	2,000	2,000
Hunters' and Anglers' License Fund	3,780	8,580	6,365
Intermodal Surface Transportation Efficiency Act	—	10,320	10,320
Investigation and Management of NJ's Nongame Freshwater Fisheries Resources	—	—	150
Land and Water Conservation Fund	—	5,000	5,000
Lower Cohansey Watershed	—	1,000	1,000
Marine Fisheries Investigation and Management	423	1,150	1,150
Multi–Media	462	750	750
Multi–Media Enforcement Grant	—	1,000	1,000

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
NJ Landowners Incentive	—	—	1,450
NJFO Bog Turtle Cooperative Agreement	—	50	50
National Coastal Wetlands Conservation	5	3,260	2,215
National Dam Safety Program (FEMA)	—	90	90
National Geologic Mapping Program	87	160	200
National Pollutant Discharge Elimination System Implementation Support Program	531	600	600
National Recreational Trails	576	1,250	1,500
New Jersey Commercial Blue Crab Fishery Economic Assistance Federal Share	—	—	230
Non-Point Source Implementation (319H)	6,042	2,400	2,400
Non-Point Source Implementation (319H) Supplemental	—	2,000	2,000
Particulate Monitoring Grant	803	1,500	1,500
Pennsauken Boat Access Renovation	10	—	—
Pesticide Mosquito Control Project	—	—	50
Pesticide Recording Program	20	20	20
Pesticide Technology	698	730	730
Pinelands Grant – Acquisition	—	6,000	6,000
Pollution Prevention Incentive	24	—	—
Preliminary Assessments/Site Inspections	2,248	3,000	3,000
Radon Program	440	500	500
Regional Climate and Fire Damage Modeling – Pinelands	—	—	100
Safe Drinking Water Act	2,306	22,200	22,200
Shortnose Sturgeon Research	—	—	150
Source Reduction Of Consumer Electronics Manufacturing Process	120	—	—
Southern New Jersey Drinking Water Sampling Project	—	—	50
Southern Pine Beetle	—	—	100
State Wetlands Conservation Plan	59	492	492
State Wildlife Grant Projects	—	390	1,200
State/EPA Data Management Grant	84	3,050	3,050
Superfund Grants	6,109	30,450	30,450
Telemetry Study of Red Knots and Atlantic Brant	—	—	80
Toxic Substance Compliance	—	50	—
US ACE Beachnesters	—	81	80
Underground Storage Tanks	239	2,055	2,055
Voluntary Cleanup Program	—	500	—
Voluntary Cleanup Site Specific	—	250	—
Water Monitoring and Planning	439	1,000	1,000
Water Pollution Control Program	2,765	4,250	4,250
Wildland/Urban Interface II	—	500	250
Wildlife Education	—	—	285
Wildlife Education Program	—	285	—
Wildlife Management Area Planning	—	—	300
Various Federal Programs and Accruals	-8,083	1,800	1,510
	38,386	220,486	221,033
Department of Health and Senior Services:			
AIDS Incarcerated Individuals in Corrections	1,077	1,300	900
Abstinence Education – FHS	1,094	1,012	1,122
Addiction Services Incentive Planning Grant	—	391	—
Asthma Surveillance and Coalition Building	117	356	356
Asthma and Hazardous Substances Applied Research	—	100	100
Behaviorial Risk Factor Surveillance Survey	127	261	261
Bioterrorism Hospital Emergency Preparedness	3,400	13,879	16,000
Birth Defects Surveillance Program	—	250	250
Center For Birth Defects Research & Prevention	541	1,600	1,600
Childhood Lead Poisoning	610	1,424	1,426
Chronic Disease Prevention and Health Promotion – Family Health Services	—	750	750
Chronic Disease Prevention and Health Promotion Programs – Addiction Services	—	—	1,246
Clinical Laboratory Improvement Amendments Program	465	473	497
Comprehensive AIDS Resources Grant	60,121	63,000	65,000
Comprehensive Breast and Cervical Cancer	1,632	4,200	—
Comprehensive State Based Tobacco Use Prevention Programs	1,554	1,300	—
Demonstration Program to Conduct Health Assessments	467	707	578
EBT Infrastructure (EDS) Special Grant	18	—	—
Early Hearing Detection and Intervention (EHDI) Tracking, Research	105	334	334
Early Intervention for Infants & Toddlers with Disabilities (Part H)	11,919	13,000	13,000
Eliminating Disparities in Perinatal Health	55	500	500
Emergency Preparedness For Bioterrorism	2,950	24,200	31,528

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Essex County Healthy Start Initiative	8	—	—
Evaluation of Lead Dust Study	165	—	—
Evaluation of the Performance of Intergrated HIV/AIDS Surveillance	149	255	116
Exposure – Tremolite Asbestos – Vermiculite	86	200	220
Family Planning Program–Title X	3,734	3,500	3,500
Federal Lead Abatement Program	449	450	420
Federal Medicare Reimbursement	—	—	994
Federal Medicare Relief	—	—	90,000
Food Inspection	315	300	350
Genomics and Chronic Disease	—	250	—
HIV/AIDS Prevention and Education Grant	15,811	18,000	18,000
HIV/AIDS Surveillance Grant	4,093	6,594	7,214
Housing Opportunities For Persons With AIDS	1,240	4,763	4,763
Housing Opportunities for Incarcerated Persons with AIDS	—	1,200	900
Immunization Project	3,835	7,363	7,866
Job & Growth Tax Stimulus	143,066	—	—
Lead Training & Certification (Enforcement) Program	49	—	82
Lyme Disease Research	281	576	525
MCH Early Childhood Comprehensive System	—	100	100
Maternal and Child Health Block Grant	11,700	13,000	13,000
Medicare/Medicaid Inspections of Nursing Facilities	12,042	10,834	14,150
Memorandum of Agreement with Emory University–National Down Syndrome Study	—	—	150
Minority AIDS Demo	5	150	150
Morbidity & Mortality Review Program	—	150	150
NJ Ease For Caregivers – Building Support Systems	192	250	250
National Cancer Prevention and Control–Public Health	2,109	1,800	6,000
National Family Caregiver Program	5,118	4,500	4,100
National Program of Cancer Registries	227	—	—
New Jersey Community Choice Initiative	455	—	—
Nurse Aide Certification Program	—	1,958	1,958
Nursing Facilities Transition Grant	—	600	600
Older Americans Act – Title III	36,170	33,248	33,248
Pediatric AIDS Health Care Demonstration Project	1,715	2,850	2,850
Pregnancy Risk Assessment Monitoring System	—	750	750
Preparedness and Response for Bioterrorism	832	—	—
Preventative Health and Health Services Block Grant	4,401	5,431	3,896
Public Employees Occupational Safety & Health – State Plan	—	—	900
Public Health Laboratory Biomonitoring Planning	52	200	210
Research on Ecology of Lyme Disease in US	136	85	90
Senior Farmers Market Nutrition Program	374	1,000	1,000
Smallpox Immunization Program	—	3,000	—
State Data Infrastructure Project	—	110	—
State Regulation on Immunization Rates of Older Adults	180	160	—
Strategic National Stockpile Deployment Program	—	3,000	—
Substance Abuse Block Grant	42,054	51,385	53,385
Supplemental Food Program–W.I.C.	74,327	85,000	90,000
Surveillance, Epidemiology and End Results (SEER)	391	1,800	1,800
Tools For School Implementation Project	90	80	—
Traumatic Brain Injury Surveillance	1	105	105
Tuberculosis Control Program	7,368	10,000	6,069
USDA Older Americans Act – Title III	4,130	3,900	3,900
Universal Newborn Hearing Screening	30	250	250
Venereal Disease Project	2,909	3,500	3,800
Violence Related Injury Prevention	—	160	160
Vital Statistics Component	993	850	850
WIC Farmer’s Market Nutrition Program	744	1,300	2,000
West Nile Virus – Laboratory	—	200	200
West Nile Virus – Public Health	1,517	1,900	2,300
World Trade Center Substance Prevention – Response Emergency Disaster	172	—	—
World Trade Center Substance Prevention II	75	—	—
World Trade Center Substance Treatment II	210	—	—
Young Offender Reentry Program	—	500	490
Various Federal Programs and Accruals	-4,537	4,530	4,086
	465,715	421,124	523,345



# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Human Services:			
Block Grant Mental Health Services .....	12,332	12,451	12,451
Child Care Block Grant .....	144,182	111,957	108,959
Child Support Enforcement Program .....	113,923	136,866	137,946
Community Based Residential Program Grant .....	577	1,000	1,000
Developmental Disabilities Council .....	1,495	1,577	1,577
Federal Independent Living .....	1,114	924	924
Food Stamp Program .....	82,604	83,851	88,047
Foster Grandparents Program .....	903	1,051	1,051
Low Income Energy Assistance Block Grant .....	88,443	75,603	75,603
Projects for Assistance in Transition from Homelessness (PATH) .....	245	1,476	1,476
Refugee Resettlement Program .....	1,262	5,705	5,705
Restricted Grant .....	10,908	10,932	12,239
Social Service Block Grant .....	50,395	51,430	51,425
Temporary Assistance to Needy Families Block Grant .....	571,155	571,979	499,130
Title IV–B Child Welfare Services .....	6,961	6,218	6,624
Title IV–E Foster Care .....	84,459	99,671	102,111
Title XIX – Child Residential .....	52,348	31,426	50,743
Title XIX Community Care Waiver .....	188,257	210,352	226,083
Title XIX ICF/MR .....	221,575	210,984	218,233
Title XIX Medical Assistance .....	2,929,520	3,465,761	3,156,221
Title XX Urban Empowerment Zone .....	1,845	—	—
Title XXI Childrens Health Insurance Program .....	300,694	275,026	225,619
Vocational Rehabilitation Act Section 120 .....	9,290	10,423	10,423
Various Federal Programs and Accruals .....	–278,079	7,501	7,686
	4,596,408	5,384,164	5,001,276
Department of Labor and Workforce Development:			
At Risk Youth Mentoring Program .....	14	—	—
Comprehensive Services for Independent Living .....	472	700	700
Current Employment Statistics .....	2,595	2,823	2,591
Disability Determination Services .....	44,789	47,000	46,020
Disabled Veterans' Outreach Program .....	1,643	2,300	2,500
ES Reemployment Services .....	1047	1,000	1,100
Employment Services .....	17,817	22,855	23,859
Employment Services – One Stop Shopping .....	332	325	325
Employment Services Cost Reimbursable Grants – Migrant Housing .....	34	50	50
Employment Services Grants–Alien Labor Certification .....	1,326	2,419	2,419
Federal Public Employees Occupational Safety and Health Act .....	1,625	2,000	1,900
Local Veterans' Employment Representatives .....	1,341	1,500	1,700
National Council on Aging – Senior Community Services Employment Project .....	2,450	3,000	3,025
OASI (DDS) Intelligent Workstation Activities .....	—	1,000	1,000
OSHA Data Collection Survey .....	78	85	81
Occupational Informational Coordinating Program .....	146	159	159
Occupational Safety Health Act, On–Site Consultation .....	1,617	2,000	2,012
One Stop Labor Market Information .....	930	980	980
One Stop Technology Process Mapping .....	300	—	—
Redesigned Occupational Safety and Health (ROSH) .....	237	230	230
Reed Act Funds .....	12,699	—	—
Rehabilitation of Supplemental Security Income Beneficiaries .....	544	2,000	2,000
Supported Employment .....	811	1,200	1,200
Technical Assistance Training .....	516	1,700	1,700
Technology Related Assistance Project .....	442	700	700
Trade Adjustment Assistance Project .....	1,636	8,000	7,000
Unemployment Insurance .....	100,365	135,500	140,900
Vocational Rehabilitation Act of 1973 .....	46,501	44,350	44,650
WIA Title IIID Discretionary Funding .....	3,137	8,000	6,000
WIA–Toll Free Helpline .....	8	—	—
Welfare to Work .....	3,421	—	—
Work Opportunity Tax Credit .....	422	750	750
Workforce Investment Act .....	68,360	56,331	56,830
Workforce Investment Act–Title III Dislocated Workers .....	8,269	19,000	19,000
Various Federal Programs and Accruals .....	–16,697	145	145
	309,227	368,102	371,526

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Law and Public Safety:			
Atlantic County--Disaster Flooding	197	—	—
Bulletproof Vest Partnership	476	550	550
COPS MORE Officer 2000 Program	154	—	—
COPS TECH 2001 HI Technology Initiative	64	—	—
Casework DNA Backlog Reduction Program	—	1,300	1,300
Cert Program	20	500	500
Challenge Grant	125	300	300
Child Passenger Protection Education	173	250	300
Combat Underage Drinking – Discretionary	9	—	—
Combating Underage Drinking	542	360	360
Community Prosecutors Block Grant	—	1,000	1,000
Computer Aided Dispatch Maintenance	13,300	—	—
Convicted Offender In–House (DNA)	—	1,500	1,500
Cops Homeland Security– OT	—	1,426	1,426
Cops In Schools	—	1,000	1,000
Crime Victims' Compensations – VOCA For 9/11 Attack	659	—	—
Disaster Relief	2,692	—	—
Division of State Police Port Security	—	1,800	1,800
Domestic Marijuana Eradication Suppression Program	270	280	280
Domestic Preparedness Training	1,788	—	—
Drug Enforcement Administration and Grants	12,206	14,028	14,028
Drunk Driver Prevention	326	1,000	250
EMPG – Non–Terrorism	3,365	4,200	4,200
EMPG – Terrorism	365	—	—
Emergency Declaration 3169EM – World Trade Center Disaster	18,714	—	—
Equal Employment Opportunity Commission	261	532	532
FEMA Pre–Disaster Mitigation Grant	—	250	250
Domestic Preparedness Equipment Grant	—	2,500	2,500
Domestic Preparedness Equipment	—	52,000	52,000
Financial Investigations & Money Laundering Initiative	—	5,000	5,000
Flood Mitigation Assistance	858	90	90
Forensic Crime Laboratory Improvement Program	—	2,000	2,000
Forensic DNA Testing Program	—	1,000	1,000
Hazardous Materials Transportation	290	350	350
Help America Vote Act	16,837	22,950	13,600
High Intensity Drug Trafficking Area (HIDTA)	—	250	250
Incident Command	200	750	750
Innovative Seat Belt Use	66	900	900
Inter–coastal Maritime Patrol and Interdiction Program	—	1,800	1,800
Internet Crimes Against Children	23	300	300
Justice Assistance Grant (JAG)	—	—	17,000
Juvenile Accountability Incentive Block Grant	1,205	5,900	5,900
Juvenile Justice Delinquency Prevention	320	2,411	2,457
Local Law Enforcement Block Grant	1,105	1,400	1,400
Marine Police Boat	—	750	750
Medicaid Fraud Unit	1,848	2,550	2,550
National Criminal History Program–OAG	206	2,000	2,000
National Forensic Sciences Improvement Act Program	—	110	110
National Highway Traffic Safety Act – Section 402	2,885	5,504	5,848
National Highway Traffic Safety Act – Section 405	227	711	700
National Highway Traffic Safety Act – Section 411	—	125	300
New Jersey Anti–Money Laundering Initiative	—	750	750
Northeast Hazardous Waste Project–RCRA	148	250	250
Pre–Disaster Mitigation Grant–FEMA	50	—	—
Protecting Our Urban Areas	—	12,000	12,000
Public Safety Wireless Coordination Council – Initiative	—	244	244
Recreational Boating Safety	1,495	2,000	2,000
Residential Treatment for Substance Abuse	1,700	1,600	1,600
Rural Domestic Violence Program	10	—	—
Safety Incentive Grants	919	5,000	2,500
State Police In–Car Camera Technology Grant	204	200	200
State and Local All Hazards Emergency Operation Planning	420	—	—
Sussex/Morris Federal Disaster Declaration – 1337DR	936	—	—
Title V Funding	377	1,500	1,500
VOCA 9/11 Attack on America	377	—	—
Victim Assistance Grants	5,959	12,000	12,000
Victim Compensation Award	3,450	4,850	7,000

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Violence Against Women Act .....	2,822	4,000	4,000
World Trade Center Disaster Crisis Counseling FEMA Grant .....	200	—	—
Various Federal Programs and Accruals .....	20,083	1,045	1,270
	120,926	187,066	194,445
Department of Military and Veterans' Affairs:			
ARNG Transportation .....	—	—	125
Armory Renovations and Improvements .....	636	1,100	1,000
Army Facilities Service Contracts .....	1,049	2,500	2,500
Army National Guard Statewide Security Agreement .....	457	750	600
Army Training and Technology Lab .....	269	550	400
Atlantic City Air Base – Service Contracts .....	1,345	2,200	2,100
Atlantic City Operations and Maintenance .....	46	59	65
Atlantic City Environmental .....	—	42	50
Brigadier General Doyle Memorial Cemetery Building Project .....	3,141	6,000	6,900
Combined Logistics Facility .....	—	26,000	—
DFAC AR Operations .....	—	—	700
Design and Construction of the Vineland Memorial Veterans' Home .....	2,701	—	—
Design/Construct New Nursing Home Facility .....	58	—	—
Facilities Support Contract .....	2,263	3,272	3,500
Federal VA Distance Learning Program .....	23	456	456
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement .....	639	950	1,200
Hazardous Waste Environmental Protection Program .....	295	405	550
McGuire AFB Environmental .....	34	42	50
McGuire Air Force Base – Service Contracts .....	1,806	1,994	2,295
McGuire Operations and Maintenance .....	58	80	70
Medicare Part A Receipts for Resident Care and Operational Costs .....	3,185	3,638	4,518
Menlo Adult Day Care Funds .....	—	290	—
National Guard Communications Agreement .....	475	650	650
New Jersey National Guard Challenge Youth Program .....	1,414	2,800	2,000
New Jersey National Guard Counter Drug Program Interservice State–Federal .....	12	12	12
Training and Equipment – Pool Sites .....	164	400	269
Transitional Housing .....	427	352	360
VA Grant – Veterans Haven Life Safety Code Rehabilitation .....	—	339	—
Veterans' Education Monitoring .....	489	473	542
Various Federal Programs and Accruals .....	5,728	60	55
	26,714	55,414	30,967
Department of State:			
Americorps Grants .....	3,536	6,135	6,135
Leveraging Educational Assistance Partnership .....	2,805	2,531	3,376
NJ GEAR UP .....	1,966	2,730	2,730
National Endowment for the Arts Partnership .....	730	750	750
National Health Service Corps – Student Loan Repayment Program .....	140	240	240
National Telecommunications Information Agency .....	—	1,250	625
Student Loan Administrative Cost Deduction and Allowance .....	15,631	19,375	20,344
Various Federal Programs and Accruals .....	–85	350	202
	24,723	33,361	34,402
Department of Transportation:			
Airport Fund .....	2,882	21,000	21,000
Highway Planning and Research .....	20,184	15,367	15,367
Metropolitan Planning Funds .....	11,348	10,586	10,586
Motor Carrier Safety Assistance Program .....	2,834	9,808	9,808
New Jersey Transportation Planning Assistance .....	1,098	3,000	3,000
Supportive Services Highway Construction Training Program .....	905	500	500
Various Federal Programs and Accruals .....	588	—	—
	39,839	60,261	60,261

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of the Treasury:			
Building Energy Codes .....	44	—	—
Diamond Shamrock Oil Overcharge Settlement .....	—	500	617
Division of Gas Expansion .....	—	600	600
Fuel Cell Testing .....	402	—	—
Million Solar Roofs .....	10	—	—
State Energy Conservation Program .....	1,299	1,525	2,270
Various Federal Programs and Accruals .....	105	—	700
	<u>1,860</u>	<u>2,625</u>	<u>4,187</u>
Judicial Branch—			
The Judiciary:			
Drug Court – OJP – Direct .....	87	—	—
Juvenile Drug Court Grant .....	146	—	—
Various Federal Programs and Accruals .....	453	556	800
	<u>686</u>	<u>556</u>	<u>800</u>
<i>Total Federal</i> .....	<u>6,749,417</u>	<u>8,054,847</u>	<u>7,788,021</u>
<b>Revolving:</b>			
Legislative Branch—			
Legislature:			
Various Revolving Funds .....	13	—	—
Executive Branch—			
Department of Community Affairs:			
Administration and Support Services .....	506	—	—
Housing Services .....	—	2,750	2,750
Liquid Petroleum Gas Ed. & Safety Board .....	117	80	308
Uniform Construction Code .....	7,074	6,800	6,800
Various Revolving Funds .....	68	—	—
	<u>7,765</u>	<u>9,630</u>	<u>9,858</u>
Department of Corrections:			
Culinary Arts Vocational Program .....	6	180	185
Farm Operations .....	10,713	10,318	10,318
Institutional Care and Treatment .....	493	724	470
State Use .....	20,053	16,879	18,879
	<u>31,265</u>	<u>28,101</u>	<u>29,852</u>
Department of Education:			
Administration and Support Services .....	4,315	3,957	3,999
Adult and Continuing Education .....	291	375	450
Professional Development and Licensure .....	118	199	199
	<u>4,724</u>	<u>4,531</u>	<u>4,648</u>
Department of Environmental Protection:			
Administration and Support Services .....	183	135	135
Pesticide Control .....	282	—	—
Publicly-Funded Site Remediation .....	237	—	—
	<u>702</u>	<u>135</u>	<u>135</u>
Department of Health and Senior Services:			
Administration and Support Services .....	5,259	3,600	5,497
Laboratory Services .....	11,124	8,200	12,500
	<u>16,383</u>	<u>11,800</u>	<u>17,997</u>
Department of Human Services:			
Administration and Support Services .....	878	2,117	861
Income Maintenance Management .....	5,337	7,174	7,174
	<u>6,215</u>	<u>9,291</u>	<u>8,035</u>

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Department of Labor and Workforce Development:</b>			
Administration and Support Services .....	1,391	—	—
Planning and Analysis .....	65	—	—
	1,456	—	—
<b>Department of Law and Public Safety:</b>			
Criminal Justice .....	282	300	300
State Police Operations .....	158	553	553
	440	853	853
<b>Department of State:</b>			
Records Management .....	1,499	1,293	1,293
<b>Department of Transportation:</b>			
Administration and Support Services .....	632	—	—
<b>Department of the Treasury:</b>			
Adjudication of Administrative Appeals .....	896	895	895
Automotive Services .....	16,783	17,637	17,437
Capitol Post Office .....	1,546	1,648	1,648
Escrow – Construction Management Services .....	2,200	3,000	3,000
Office of Information Technology .....	98,291	98,178	98,178
Printing Services .....	1,957	2,324	2,324
Property Management and Construction – Construction Management Services .....	2,213	3,738	3,738
Public Information Services .....	1,430	1,293	1,293
Purchasing and Inventory Management .....	53,051	56,400	55,941
	178,367	185,113	184,454
<i>Total Revolving</i> .....	249,461	250,747	257,125
<b>Total Other Revenues General Fund</b> .....	<b>9,997,008</b>	<b>10,805,841</b>	<b>10,551,930</b>

### SPECIAL TRANSPORTATION FUND

<b>General:</b>			
County and Other Shared Projects .....	692	—	—
Transportation Trust Fund – Local Highway Funds .....	174,584	150,000	150,000
Transportation Trust Fund – Public Transportation Projects .....	517,440	618,200	546,000
Transportation Trust Fund – State Highway Funds .....	269,273	460,000	509,000
	961,989	1,228,200	1,205,000
<b>Federal:</b>			
Federal Highway Administration .....	723,015	647,363	705,000
<i>Total Special Transportation Fund</i> .....	1,685,004	1,875,563	1,910,000
<b>TOTAL OTHER REVENUES</b> .....	<b>11,682,012</b>	<b>12,681,404</b>	<b>12,461,930</b>

# REVENUES & EXPENDITURES

## SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>GENERAL FUND</b>			
<b>Legislative Branch</b>			
Senate .....	11,222	11,494	11,494
General Assembly .....	18,173	18,905	18,905
Office of Legislative Services .....	29,823	27,388	27,388
Legislative Commissions .....	5,294	4,974	5,562
State Capitol Joint Management Commission .....	9,073	9,001	9,001
Clean Ocean and Shore Trust Committee .....	156	144	144
	73,741	71,906	72,494
<b>Executive Branch</b>			
Chief Executive .....	5,707	5,367	5,267
Department of Agriculture .....	21,882	18,520	20,346
Department of Banking and Insurance .....	66,010	68,589	66,703
Department of Community Affairs .....	111,096	127,721	120,517
Department of Corrections .....	931,467	935,168	967,974
Department of Education .....	2,541,178	3,087,399	2,848,355
Department of Environmental Protection .....	430,730	420,850	418,831
Department of Health and Senior Services .....	1,002,708	838,305	1,299,006
Department of Human Services .....	4,322,589	4,240,618	4,554,442
Department of Labor and Workforce Development .....	114,517	91,751	91,732
Department of Law and Public Safety .....	530,200	508,810	493,656
Department of Military and Veterans' Affairs .....	92,440	79,433	83,812
Department of Personnel .....	28,760	26,103	25,448
Department of State .....	1,120,415	1,130,763	1,164,520
Department of Transportation .....	1,286,204	1,105,069	1,171,607
Department of the Treasury .....	1,158,289	1,221,758	1,243,229
Miscellaneous Commissions .....	1,417	1,373	1,373
	13,765,609	13,907,597	14,576,818
<b>Inter-Departmental Accts</b>			
Inter-Departmental Services .....	477,600	521,362	529,496
Employee Benefits .....	1,511,265	1,785,815	1,924,865
Other Inter-Departmental Accounts .....	37,047	53,020	70,394
Salary Increases and Other Benefits .....	29,728	11,000	165,238
	2,055,640	2,371,197	2,689,993
<b>Judicial Branch</b>			
The Judiciary .....	477,715	523,964	526,073
	477,715	523,964	526,073
<b>Total General Fund</b> .....	<b>16,372,705</b>	<b>16,874,664</b>	<b>17,865,378</b>
<b>CASINO CONTROL FUND – DIRECT STATE SERVICES</b>			
Department of Law and Public Safety .....	35,079	35,799	35,799
Department of the Treasury .....	25,674	27,901	27,901
<b>Total Casino Control Fund – Direct State Services</b> .....	<b>60,753</b>	<b>63,700</b>	<b>63,700</b>

# REVENUES & EXPENDITURES

## SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>CASINO REVENUE FUND</b>			
Department of Health and Senior Services .....	351,661	300,473	332,324
Department of Human Services .....	23,265	118,737	118,737
Department of Labor and Workforce Development .....	2,440	2,440	2,440
Department of Law and Public Safety .....	86	92	92
Department of Transportation .....	24,934	25,458	25,287
Department of the Treasury .....	34,669	—	—
<i>Total Casino Revenue Fund</i> .....	<i>437,055</i>	<i>447,200</i>	<i>478,880</i>
<b>GUBERNATORIAL ELECTIONS FUND – DIRECT STATE SERVICES</b>			
Department of Law and Public Safety .....	—	—	8,870
<b>PROPERTY TAX RELIEF FUND</b>			
Department of Community Affairs .....	927,675	925,069	926,069
Department of Education .....	4,956,057	5,196,129	5,879,286
Department of Environmental Protection .....	10,179	10,453	8,000
Department of the Treasury .....	1,301,484	1,025,119	1,029,645
<i>Total Property Tax Relief Fund</i> .....	<i>7,195,395</i>	<i>7,156,770</i>	<i>7,843,000</i>
<b>GRAND TOTAL EXPENDITURES BUDGETED</b> .....	<b>24,065,908</b>	<b>24,542,334</b>	<b>26,259,828</b>

# REVENUES & EXPENDITURES

## SCHEDULE 4 EXPENDITURES NOT BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>GENERAL FUNDS</b>			
<b>Dedicated Funds</b>			
Chief Executive .....	1,268	1,100	1,100
Department of Agriculture .....	9,883	9,604	9,784
Department of Banking and Insurance .....	2,356	8,188	8,338
Department of Community Affairs .....	6,158	29,959	35,919
Department of Corrections .....	25,784	23,891	23,269
Department of Education .....	20,724	28,219	29,125
Department of Environmental Protection .....	19,933	42,164	51,311
Department of Health and Senior Services .....	1,036,377	117,425	125,700
Department of Human Services .....	544,408	581,987	548,359
Department of Labor and Workforce Development .....	141,903	150,554	152,314
Department of Law and Public Safety .....	159,542	225,177	240,625
Department of Military and Veterans' Affairs .....	3,343	2,089	2,121
Department of Personnel .....	—	4,896	4,632
Department of State .....	19,217	44,860	48,789
Department of Transportation .....	14,086	279,030	281,399
Department of the Treasury .....	853,659	911,629	901,228
Interdepartmental Accounts .....	—	—	3,000
The Judiciary .....	39,230	39,475	39,761
<i>Total Dedicated Funds</i> .....	<u>2,897,871</u>	<u>2,500,247</u>	<u>2,506,784</u>
<b>Federal Funds</b>			
Department of Agriculture .....	179,911	255,880	255,880
Department of Community Affairs .....	249,345	257,629	266,788
Department of Corrections .....	28,792	10,858	6,297
Department of Education .....	703,131	836,458	854,665
Department of Environmental Protection .....	52,787	220,486	221,033
Department of Health and Senior Services .....	1,373,995	1,828,288	1,483,676
Department of Human Services .....	3,554,054	3,865,735	3,925,216
Department of Labor and Workforce Development .....	316,754	368,102	373,526
Department of Law and Public Safety .....	130,474	191,631	199,052
Department of Military and Veterans' Affairs .....	49,314	55,414	30,967
Department of Personnel .....	270	—	—
Department of State .....	23,362	33,361	35,152
Department of Transportation .....	42,519	57,761	57,761
Department of the Treasury .....	4,161	4,076	5,638
Interdepartmental Accounts .....	461	—	—
The Judiciary .....	60,368	69,168	72,370
<i>Total Federal Funds</i> .....	<u>6,769,698</u>	<u>8,054,847</u>	<u>7,788,021</u>
<b>Revolving Funds</b>			
Legislature .....	14	—	—
Department of Community Affairs .....	9,072	9,630	9,858
Department of Corrections .....	30,145	28,101	29,852
Department of Education .....	3,489	4,531	4,648
Department of Environmental Protection .....	726	135	135
Department of Health and Senior Services .....	15,920	11,800	17,997
Department of Human Services .....	7,551	9,291	8,035
Department of Labor and Workforce Development .....	1,284	—	—
Department of Law and Public Safety .....	634	853	853
Department of State .....	1,231	1,293	1,293
Department of Transportation .....	574	—	—
Department of the Treasury .....	184,924	185,113	184,454
<i>Total Revolving Funds</i> .....	<u>255,564</u>	<u>250,747</u>	<u>257,125</u>
<i>Total Expenditures General Fund</i> .....	<u>9,923,133</u>	<u>10,805,841</u>	<u>10,551,930</u>
<b>SPECIAL TRANSPORTATION TRUST FUND</b>			
General .....	1,765,762	1,875,563	1,910,000
<b>GRAND TOTAL EXPENDITURES NOT BUDGETED</b> .....	<u>11,688,895</u>	<u>12,681,404</u>	<u>12,461,930</u>



# NOTES

# REVENUES & EXPENDITURES

## SUMMARY REVENUES, EXPENDITURES AND FUND BALANCES GENERAL STATE FUNDS (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2003 Actual	2004 Estimated	2005 Estimated
Beginning Balances July 1			
Undesignated Fund Balances			
General Fund	\$ 292,255	\$ 372,982	\$ 400,000
Surplus Revenue Fund	---	---	---
Property Tax Relief Fund	---	---	---
Gubernatorial Elections Fund	---	706	2,206
Casino Control Fund	---	4,330	---
Casino Revenue Fund	---	---	---
Total Undesignated Fund Balances	<u>292,255</u>	<u>378,018</u>	<u>402,206</u>
Designated Fund Balances			
General Fund	944,710	863,940	863,940
Property Tax Relief Fund	---	---	---
Casino Control Fund	1,385	1,945	1,945
Casino Revenue Fund	---	---	---
Special Transportation Fund	---	---	---
Total Designated Fund Balances	<u>946,095</u>	<u>865,885</u>	<u>865,885</u>
<i>Total Beginning Balances</i>	<u>1,238,350</u>	<u>1,243,903</u>	<u>1,268,091</u>
Revenues			
General Fund			
State Revenues (Schedule I)	16,770,469	16,627,903	17,870,542
Other Revenues (Schedule II)	9,997,008	10,805,841	10,551,930
Property Tax Relief Fund (Schedule I)	6,735,282	7,240,000	7,843,000
Gubernatorial Elections Fund (Schedule I)	706	1,500	1,500
Casino Control Fund (Schedule I)	65,387	59,370	63,700
Casino Revenue Fund (Schedule I)	422,084	459,880	478,880
Special Transportation Fund (Schedule II)	1,685,004	1,875,563	1,910,000
<i>Total Revenues</i>	<u>35,675,940</u>	<u>37,070,057</u>	<u>38,719,552</u>
Other Adjustments			
General Fund			
Balances lapsed	---	134,571	---
From (To) Property Tax Relief Fund	(459,905)	126,528	---
From (To) Gubernatorial Elections Fund	---	---	(5,164)
From (To) Casino Revenue Fund	(14,712)	12,680	---
4 % CBT Dedication	(33,939)	---	---
Health Benefits Activity	(26,578)	---	---
Budget vs GAAP adjustment	218,097	---	---
Miscellaneous	(154,645)	---	---
Property Tax Relief Fund			
From (To) General Fund	459,905	(126,528)	---
Balances lapsed	---	43,298	---
Budget vs GAAP adjustment	208	---	---

# REVENUES & EXPENDITURES

## SUMMARY REVENUES, EXPENDITURES AND FUND BALANCES GENERAL STATE FUNDS (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2003 Actual	2004 Estimated	2005 Estimated
Gubernatorial Elections Fund			
From (To) General Fund	---	---	5,164
Casino Control Fund			
Budget vs GAAP adjustment	(304)	---	---
Miscellaneous	560		
Casino Revenue Fund			
From General Fund	14,712	(12,680)	---
Budget vs GAAP adjustment	259	---	---
Special Transportation Fund			
Budget vs GAAP adjustment	80,758	---	---
<i>Total Other Adjustments</i>	<i>84,416</i>	<i>177,869</i>	<i>---</i>
<i>Total Available</i>	<i>36,998,706</i>	<i>38,491,829</i>	<i>39,987,643</i>
Expenditures			
General Fund			
Expenditures Budgeted (Schedule III)	16,372,705	16,874,664	17,865,378
Expenditures Not Budgeted (Schedule IV)	9,923,133	10,805,841	10,551,930
Property Tax Relief Fund (Schedule III)	7,195,395	7,156,770	7,843,000
Gubernatorial Elections Fund (Schedule III)	---	---	8,870
Casino Control Fund (Schedule III)	60,753	63,700	63,700
Casino Revenue Fund (Schedule III)	437,055	447,200	478,880
Special Transportation Fund (Schedule IV)	1,765,762	1,875,563	1,910,000
<i>Total Expenditures</i>	<i>35,754,803</i>	<i>37,223,738</i>	<i>38,721,758</i>
Ending Balances June 30			
Undesignated Fund Balances			
General Fund	372,982	400,000	400,000
Property Tax Relief Fund	---	---	---
Gubernatorial Elections Fund	706	2,206	---
Casino Control Fund	4,330	---	---
Casino Revenue Fund	---	---	---
<i>Total Undesignated Fund Balances</i>	<i>378,018</i>	<i>402,206</i>	<i>400,000</i>
Designated Fund Balances			
General Fund	863,940	863,940	863,940
Property Tax Relief Fund	---	---	---
Casino Control Fund	1,945	1,945	1,945
Casino Revenue Fund	---	---	---
Special Transportation Fund	---	---	---
<i>Total Designated Fund Balances</i>	<i>865,885</i>	<i>865,885</i>	<i>865,885</i>
Total Ending Balances	<b>\$ 1,243,903</b>	<b>\$ 1,268,091</b>	<b>\$ 1,265,885</b>

# *Revenues*

## *FY 2004*

(In Millions)

	<b>FY2004 Approp. Act Revenues</b>	<b>FY2004 Adjusted Revenues</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
Income	\$ 7,130	\$ 7,240	\$ 110	1.5
Sales	6,165	6,235	70	1.1
Corporate	2,055	2,247	192	9.3
Other*	<u>8,655</u>	<u>8,667</u>	<u>12</u>	0.1
<b>Total</b>	<b><u>\$ 24,005</u></b>	<b><u>\$ 24,389</u></b>	<b><u>\$ 384</u></b>	1.6

\* Includes CBT -Energy

# *Revenues*

## *FY2005*

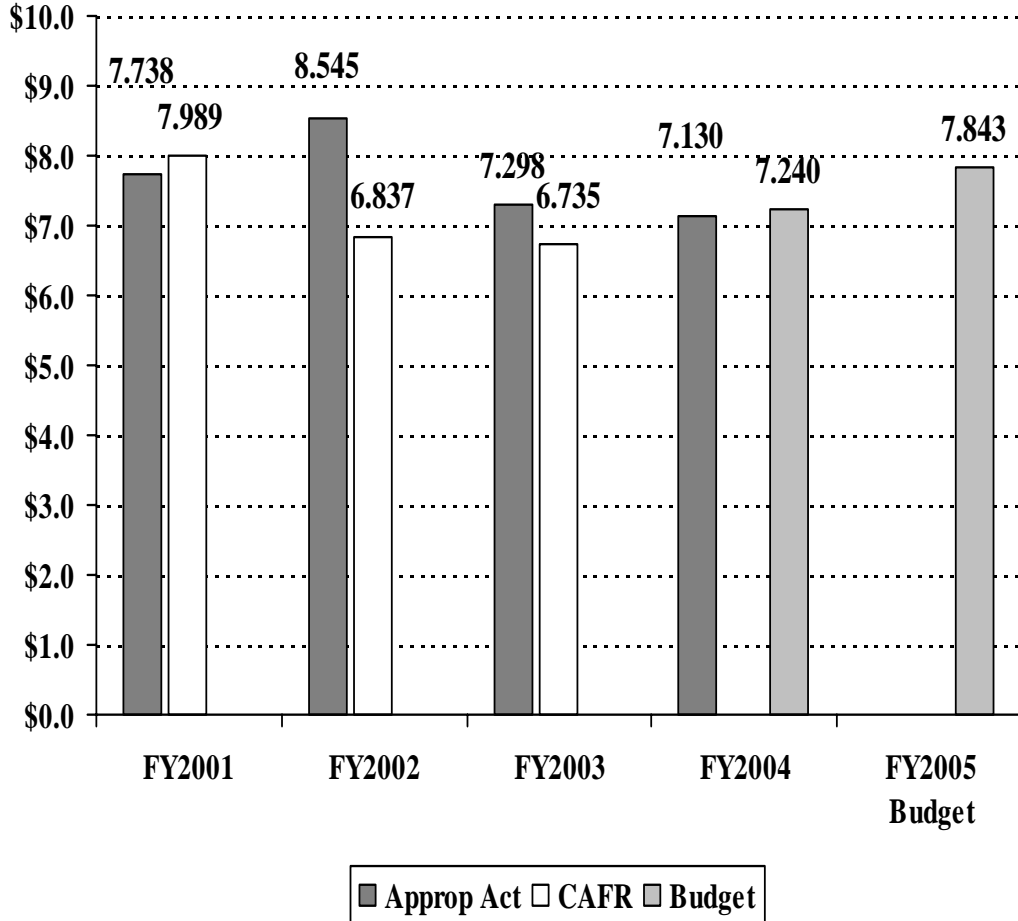
(In Millions)

	<b>FY2004</b>	<b>FY2005</b>	<b>Change</b>	
	<b>Adjusted</b>	<b>Revenues</b>	<b>\$</b>	<b>%</b>
	<b>Revenues</b>	<b>Revenues</b>	<b>\$</b>	<b>%</b>
Income	\$ 7,240	\$ 7,843	\$ 603	8.3
Sales	6,235	6,575	340	5.5
Corporate	2,247	2,392	145	6.5
Other*	<u>8,667</u>	<u>9,448</u>	<u>781</u>	9.0
<b>Total</b>	<b><u>\$ 24,389</u></b>	<b><u>\$ 26,258</u></b>	<b><u>\$ 1,869</u></b>	<b>7.7</b>

\* Includes CBT - Energy.

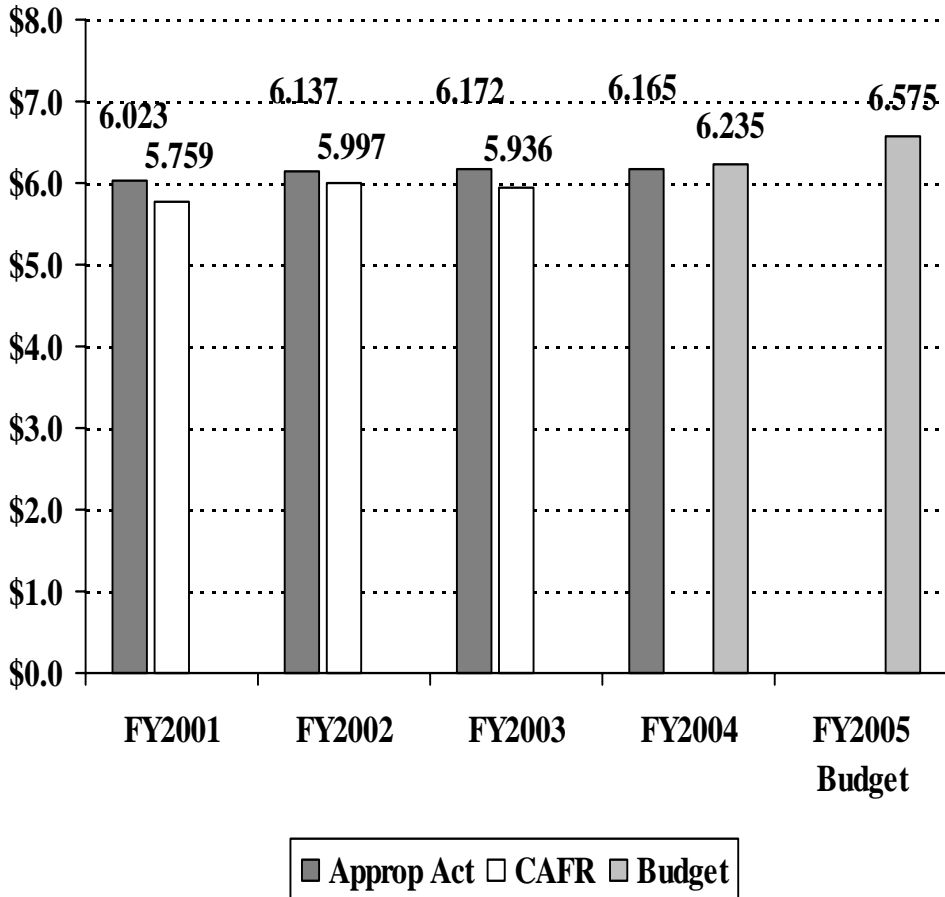
# GROSS INCOME TAX

(In Billions)



# SALES TAX

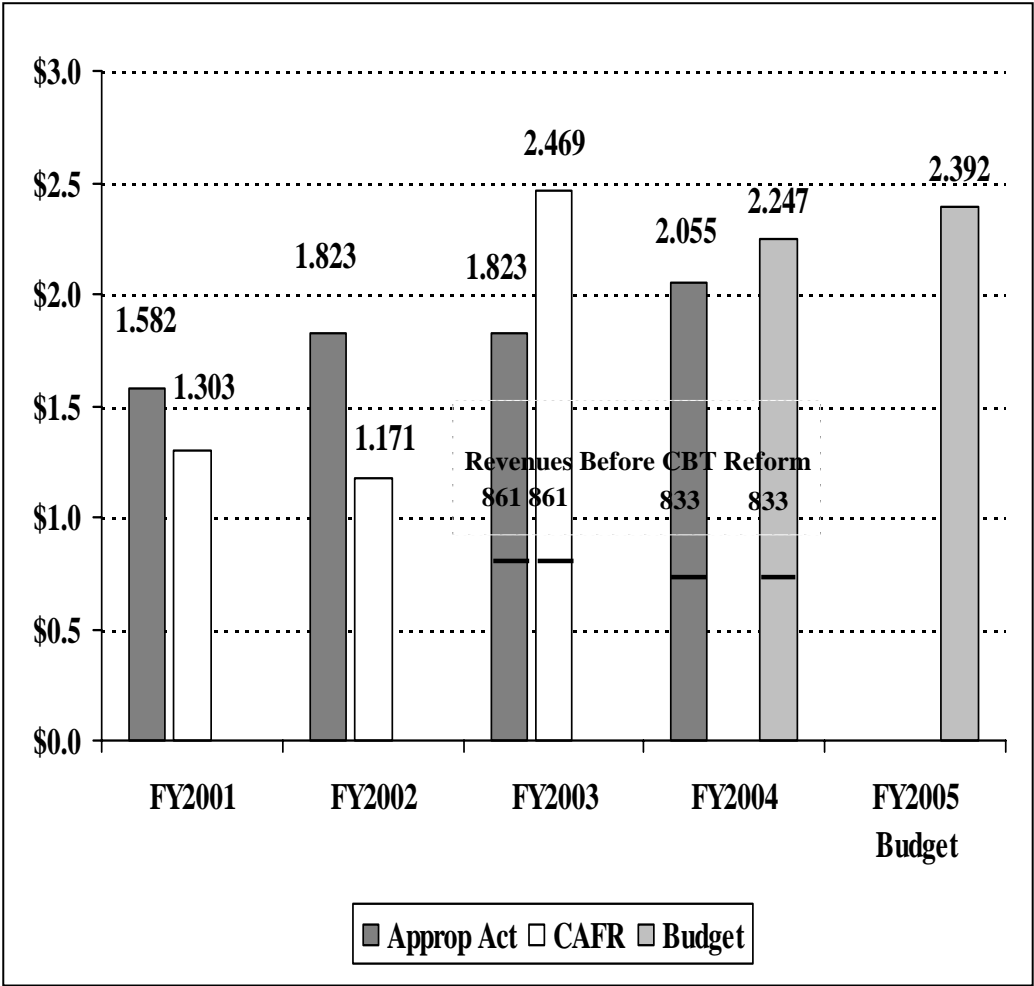
(In Billions)



Sales excludes energy

# CORPORATE BUSINESS TAX

(In Billions)



CBT excludes energy

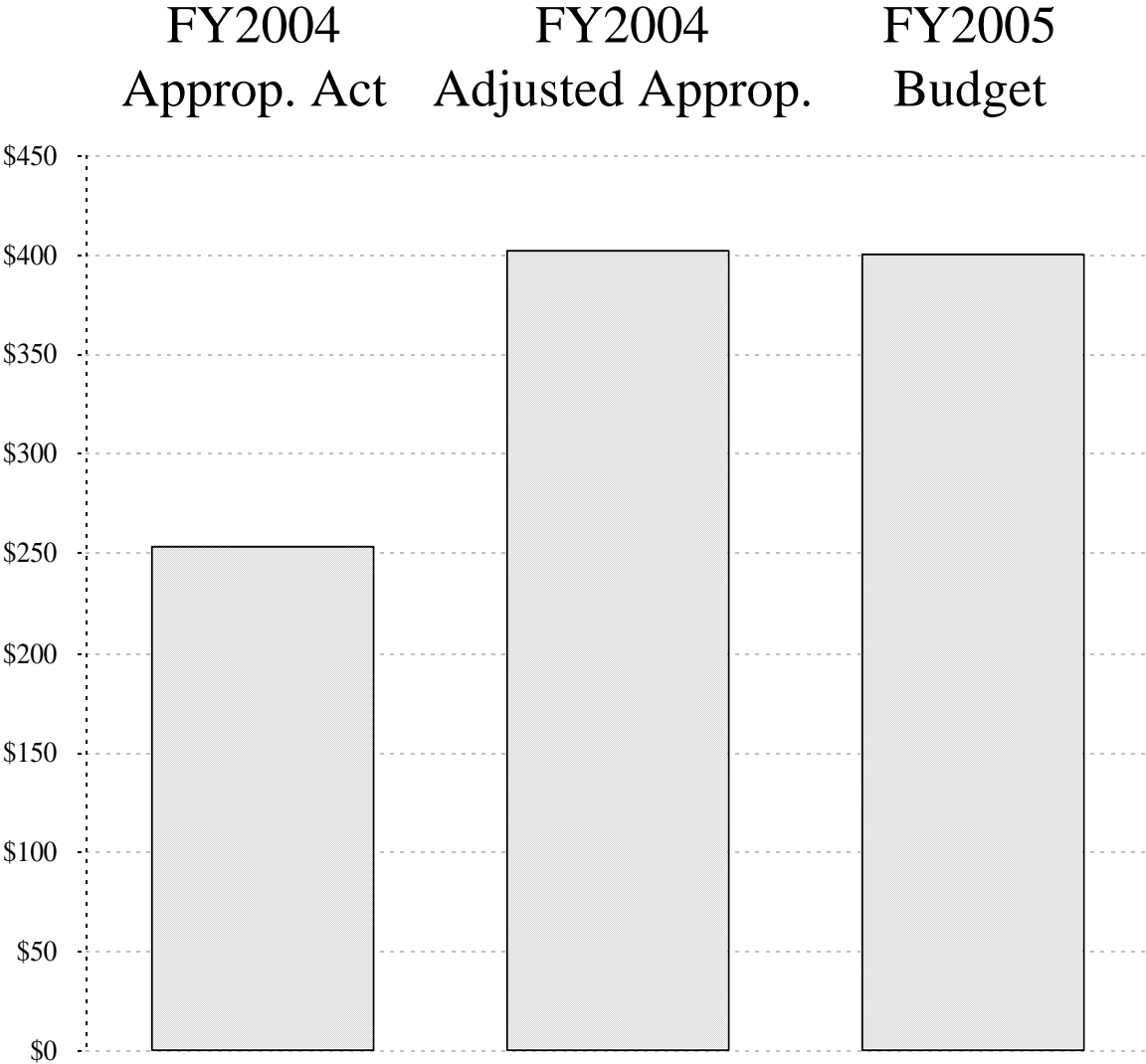


## Nonrecurring Resources (In Millions)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	
Tobacco Securitization	\$1,557	\$1,612	\$-	
New Revenue Securitization	-	-	1,520	
Unemployment Insurance Fund	325	325	100	
Federal Stimulus	106	433	-	
PAAD Waiver	147	148	-	
CBT Revenue	651	-	-	
Car Registration Acceleration	-	-	30	
Unclaimed Property	100	-	-	
Nursing Home Assessment	-	51	-	
State Disability Fund	-	30	110	
Motor Vehicle Amnesty	-	53	-	
Securities Enforcement Collections	-	10	2	
Real Estate Guarantee	-	1	-	
NJ Redevelopment Authority	-	9	-	
Hotel Revenue State Share	-	25	-	
Economic Development Authority	-	30	-	
Toll Road Revenue TTF	22	22	-	
Catastrophic Illness in Children Relief Fund	-	4	-	
Drug Enforcement Demand Reduction	4	3	1	
Educational Facilities Authority	-	-	2	
Federal TANF Balances	70	86	18	
VOI/TIS Federal Funds	12	12	-	
Cash Management Fund	20	-	-	
Free Public Schools	25	-	-	
Meadowlands Commission	62	-	-	
Sanitary Landfill Contingency	6	6	-	
Secondary Injury Fund	20	-	-	
Surplus Lines	43	-	-	
UMDNJ Self Insurance Fund	77	-	-	
UEZ Balances	37	-	-	
*Change FY 2004 v. FY 2005	<u>\$3,284</u>	<u>\$2,860</u>	<u>\$1,783</u>	<u>\$ (1,077) *</u>

# *Surplus*

(In Millions)



*FY2005 Revenue Actions*

(In Millions)

## Revenues

NOL Suspension Continued	275
Polluter Taxes:	
Petro Chemical Environmental Impact Fee	150
New Jersey Spill Compensation Fund	20
Hazardous Waste Disposal	11
Air Toxics	6
Cigarette Tax	135
State Disability Fund	110
Motor Vehicle Fee Acceleration	90
Realty Transfer Fee	70
Transitional Energy Facilities Assessments Extension	54
New Motor Vehicle Surcharge	50
Wireless Communication/Cell Tower Assessment	33
Enhanced Enforcement	25
Assessment on Houses Greater Than \$1 Million	24
Tire Clean-Up Surcharge	12
Miscellaneous	13
Total Revenue Solutions	<u>\$ 1,078</u>

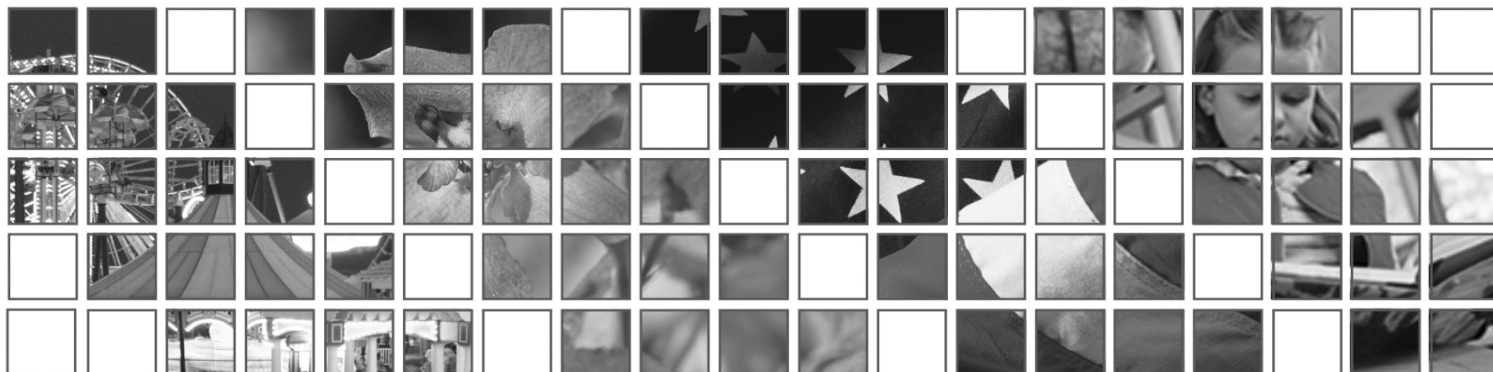
## Revenues Offsetting Spending

Unemployment Insurance - Charity Care/Medicaid	\$ 100
Outpatient Visit Assessment - Charity Care	34
Hospital Ambulatory License - Charity Care	31
Total Revenues Offsetting Spending	<u>\$ 165</u>

Total	<u><u>\$ 1,243</u></u>
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# NOTES

# Appendix



**SUMMARY**  
**ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES**  
**SPECIAL REVENUES, CAPITAL PROJECTS, PROPRIETARY AND**  
**PRIVATE PURPOSE TRUST FUNDS**

**APPENDIX 1**  
**(thousands of dollars)**

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Fund Balance July 1 .....	5,835,810	6,800,649	4,355,247
Total Revenues .....	9,047,634	5,864,068	5,734,238
Other Financing Sources			
Proceeds from sale of bonds .....	395,000	200,000	200,000
Transfers from other funds .....	719,293	174,139	257,687
Other .....	21,562	10	50
Total Other Financing Sources .....	1,135,855	374,149	457,737
Total Available .....	16,019,299	13,038,866	10,547,222
Total Expenditures .....	5,942,851	5,337,190	4,924,620
Other Financing Uses			
Transfers to other funds .....	3,275,799	3,346,429	1,746,652
Total Other Financing Uses .....	3,275,799	3,346,429	1,746,652
Total Expenditures and Other Financing Uses .....	9,218,650	8,683,619	6,671,272
<b>Fund Balance June 30 .....</b>	<b>6,800,649</b>	<b>4,355,247</b>	<b>3,875,950</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Alcohol Education, Rehabilitation and Enforcement Fund (P.L. 1983, c.531)</b>			
Fund Balance July 1	5,476	4,686	3,533
Revenues			
Taxes	11,000	11,000	11,000
Licenses and fees	1,712	1,800	1,800
Investment earnings	115	65	45
Total Revenues	12,827	12,865	12,845
Total Available	18,303	17,551	16,378
Expenditures			
Public safety and criminal justice	1,671	1,665	1,665
Physical and mental health	10,220	10,500	10,800
Total Expenditures	11,891	12,165	12,465
Other Financing Uses			
Transfers to other funds	1,726	1,853	1,950
Total Other Financing Uses	1,726	1,853	1,950
Total Expenditures and Other Financing Uses	13,617	14,018	14,415
<b>Fund Balance June 30</b>	<b>4,686</b>	<b>3,533</b>	<b>1,963</b>
<b>Atlantic City Parking Fees Fund (P.L. 1993, c.159)</b>			
Fund Balance July 1	1,394	1,409	1,424
Revenues			
Taxes	15,351	38,200	40,000
Investment earnings	15	15	15
Total Revenues	15,366	38,215	40,015
Total Available	16,760	39,624	41,439
Expenditures			
Economic planning, development and security	15,351	19,100	20,000
Total Expenditures	15,351	19,100	20,000
Other Financing Uses			
Transfers to other funds	—	19,100	20,000
Total Other Financing Uses	—	19,100	20,000
Total Expenditures and Other Financing Uses	15,351	38,200	40,000
<b>Fund Balance June 30</b>	<b>1,409</b>	<b>1,424</b>	<b>1,439</b>
<b>Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)</b>			
Fund Balance July 1	743	749	757
Revenues			
Taxes	9,245	9,500	10,000
Investment earnings	6	8	10
Total Revenues	9,251	9,508	10,010
Total Available	9,994	10,257	10,767
Expenditures			
Economic planning, development and security	9,245	9,500	10,000
Total Expenditures	9,245	9,500	10,000
<b>Fund Balance June 30</b>	<b>749</b>	<b>757</b>	<b>767</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Beaches and Harbor Fund (P.L. 1977, c.208)</b>			
Fund Balance July 1 .....	1,352	1,352	1,352
Revenues			
Investment Earnings .....	23	15	15
Total Revenues .....	23	15	15
Total Available .....	1,375	1,367	1,367
Other Financing Uses			
Transfers to other funds .....	23	15	15
Total Other Financing Uses .....	23	15	15
<b>Fund Balance June 30 .....</b>	<b>1,352</b>	<b>1,352</b>	<b>1,352</b>
<b>Boarding House Rental Assistance Fund (P.L. 1981, c.515)</b>			
Fund Balance July 1 .....	844	377	82
Revenues			
Investment earnings .....	15	5	1
Total Revenues .....	15	5	1
Total Available .....	859	382	83
Expenditures			
Community development and environmental management .....	482	300	83
Total Expenditures .....	482	300	83
<b>Fund Balance June 30 .....</b>	<b>377</b>	<b>82</b>	<b>—</b>
<b>Body Armor Replacement Fund (P.L. 1997, c. 177)</b>			
Fund Balance July 1 .....	5,855	6,330	6,660
Revenues			
Investment earnings .....	101	56	56
Other .....	4,230	4,291	4,344
Total Revenues .....	4,331	4,347	4,400
Total Available .....	10,186	10,677	11,060
Expenditures			
Public safety and criminal justice .....	3,165	3,542	3,586
Government direction, management, and control .....	616	400	400
Total Expenditures .....	3,781	3,942	3,986
Other Financing Uses			
Transfers to other funds .....	75	75	75
Total Other Financing Uses .....	75	75	75
Total Expenditures and Other Financing Uses .....	3,856	4,017	4,061
<b>Fund Balance June 30 .....</b>	<b>6,330</b>	<b>6,660</b>	<b>6,999</b>
<b>Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)</b>			
Fund Balance July 1 .....	1,978	1,881	1,678
Revenues			
Investment earnings .....	22	17	16
Total Revenues .....	22	17	16
Total Available .....	2,000	1,898	1,694
Other Financing Uses			
Transfers to other funds .....	119	220	220
Total Other Financing Uses .....	119	220	220
<b>Fund Balance June 30 .....</b>	<b>1,881</b>	<b>1,678</b>	<b>1,474</b>



# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Casino Simulcasting Fund (P.L. 1992, c.19)</b>			
Fund Balance July 1	1,476	142	82
Revenues			
Investment earnings	37	20	18
Other	629	620	620
Total Revenues	666	640	638
Total Available	2,142	782	720
Other Financing Uses			
Transfers to other funds	2,000	700	700
Total Other Financing Uses	2,000	700	700
<b>Fund Balance June 30</b>	<b>142</b>	<b>82</b>	<b>20</b>
<b>Casino Simulcasting Special Fund (P.L. 1992, c.19)</b>			
Fund Balance July 1	3,605	2,131	1,273
Revenues			
Investment earnings	72	42	36
Other	6,260	5,600	5,500
Total Revenues	6,332	5,642	5,536
Total Available	9,937	7,773	6,809
Expenditures			
Public safety and criminal justice	7,806	6,500	6,000
Total Expenditures	7,806	6,500	6,000
<b>Fund Balance June 30</b>	<b>2,131</b>	<b>1,273</b>	<b>809</b>
<b>Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)</b>			
Fund Balance July 1	15,323	13,395	3,743
Revenues			
Services and assessments	5,820	5,850	5,900
Investment earnings	188	95	50
Total Revenues	6,008	5,945	5,950
Total Available	21,331	19,340	9,693
Expenditures			
Physical and mental health	72	75	75
Government direction, management, and control	6,760	7,300	8,200
Total Expenditures	6,832	7,375	8,275
Other Financing Uses			
Transfers to other funds	1,104	8,222	1,247
Total Other Financing Uses	1,104	8,222	1,247
Total Expenditures and Other Financing Uses	7,936	15,597	9,522
<b>Fund Balance June 30</b>	<b>13,395</b>	<b>3,743</b>	<b>171</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Clean Communities Account Fund (P.L. 1985, c.533)</b>			
Fund Balance July 1 .....	1,536	11,324	11,389
Revenues			
Taxes .....	13,552	14,000	14,000
Investment earnings .....	78	65	110
Total Revenues .....	13,630	14,065	14,110
Total Available .....	15,166	25,389	25,499
Expenditures			
Community development and environmental management .....	680	10,500	10,500
Total Expenditures .....	680	10,500	10,500
Other Financing Uses			
Transfers to other funds .....	3,162	3,500	3,500
Total Other Financing Uses .....	3,162	3,500	3,500
Total Expenditures and Other Financing Uses .....	3,842	14,000	14,000
<b>Fund Balance June 30 .....</b>	<b>11,324</b>	<b>11,389</b>	<b>11,499</b>
<b>Clean Waters Fund (P.L. 1976, c.92)</b>			
Fund Balance July 1 .....	2,087	1,990	1,890
Revenues			
Investment earnings .....	70	21	18
Total Revenues .....	70	21	18
Total Available .....	2,157	2,011	1,908
Expenditures			
Community development and environmental management .....	97	100	100
Total Expenditures .....	97	100	100
Other Financing Uses			
Transfers to other funds .....	70	21	18
Total Other Financing Uses .....	70	21	18
Total Expenditures and Other Financing Uses .....	167	121	118
<b>Fund Balance June 30 .....</b>	<b>1,990</b>	<b>1,890</b>	<b>1,790</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)</b>			
Fund Balance July 1	1,793	(1,505)	2,256
Revenues			
Investment earnings	81	40	35
Total Revenues	81	40	35
Other Financing Sources			
Proceeds from sale of bonds	1,000	6,000	3,000
Other	57	—	—
Total Other Financing Sources	1,057	6,000	3,000
Total Available	2,931	4,535	5,291
Expenditures			
Educational, cultural, and intellectual development	423	—	—
Economic planning, development and security	394	200	200
Government direction, management, and control	25	32	—
Total Expenditures	842	232	200
Other Financing Uses			
Transfers to other funds	3,594	2,047	1,260
Total Other Financing Uses	3,594	2,047	1,260
Total Expenditures and Other Financing Uses	4,436	2,279	1,460
<b>Fund Balance June 30</b>	<b>(1,505)</b>	<b>2,256</b>	<b>3,831</b>
<b>1992 Dam Restoration and Clean Water Fund (P.L. 1992, c. 88)</b>			
Fund Balance July 1	15,307	15,582	17,180
Revenues			
Investment earnings	124	125	100
Other	155	523	271
Total Revenues	279	648	371
Other Financing Sources			
Proceeds from sale of bonds	—	3,000	—
Total Other Financing Sources	—	3,000	—
Total Available	15,586	19,230	17,551
Expenditures			
Community development and environmental management	4	2,050	2,050
Total Expenditures	4	2,050	2,050
<b>Fund Balance June 30</b>	<b>15,582</b>	<b>17,180</b>	<b>15,501</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>1989 Development Potential Transfer Bank Fund (P.L. 1989, c. 183)</b>			
Fund Balance July 1 .....	3,301	3,356	254
Revenues			
Investment earnings .....	62	20	10
Total Revenues .....	62	20	10
Other Financing Sources			
Proceeds from sale of bonds .....	—	1,000	10,000
Other .....	—	10	50
Total Other Financing Sources .....	—	1,010	10,050
Total Available .....	3,363	4,386	10,314
Expenditures			
Community development and environmental management .....	—	4,092	4,000
Total Expenditures .....	—	4,092	4,000
Other Financing Uses			
Transfers to other funds .....	7	40	40
Total Other Financing Uses .....	7	40	40
Total Expenditures and Other Financing Uses .....	7	4,132	4,040
<b>Fund Balance June 30 .....</b>	<b>3,356</b>	<b>254</b>	<b>6,274</b>
<b>Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c. 108)</b>			
Fund Balance July 1 .....	5,147	18,381	9,460
Revenues			
Investment earnings .....	627	220	129
Total Revenues .....	627	220	129
Other Financing Sources			
Proceeds from sale of bonds .....	22,500	5,000	14,000
Other .....	1,057	—	—
Total Other Financing Sources .....	23,557	5,000	14,000
Total Available .....	29,331	23,601	23,589
Expenditures			
Public safety and criminal justice .....	460	—	—
Educational, cultural and intellectual management .....	9,327	13,400	15,000
Government direction, management and control .....	564	521	—
Total Expenditures .....	10,351	13,921	15,000
Other Financing Uses			
Transfers to other funds .....	599	220	129
Total Other Financing Uses .....	599	220	129
Total Expenditures and Other Financing Uses .....	10,950	14,141	15,129
<b>Fund Balance June 30 .....</b>	<b>18,381</b>	<b>9,460</b>	<b>8,460</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Division of Motor Vehicles Surcharge Fund (P.L.1994, c. 57)</b>			
Fund Balance July 1	2,607	6,852	3,000
Revenues			
Services and assessments	134,139	140,000	130,000
Investment earnings	158	122	110
Total Revenues	134,297	140,122	130,110
Total Available	136,904	146,974	133,110
Expenditures			
Public safety and criminal justice	945	—	—
Government direction, management and control	129,107	143,974	130,110
Total Expenditures	130,052	143,974	130,110
<b>Fund Balance June 30</b>	<b>6,852</b>	<b>3,000</b>	<b>3,000</b>
<b>Dredging and Containment Facility Fund (P.L. 1996, c.70)</b>			
Fund Balance July 1	27,520	10,094	14,845
Revenues			
Investment earnings	279	288	430
Other	53	—	—
Total Revenues	332	288	430
Other Financing Sources			
Proceeds from sale of bonds	—	36,000	76,000
Total Other Financing Sources	—	36,000	76,000
Total Available	27,852	46,382	91,275
Expenditures			
Community development and environmental management	450	1,000	27,000
Transportation programs	17,308	30,199	28,449
Total Expenditures	17,758	31,199	55,449
Other Financing Uses			
Transfers to other funds	—	338	338
Total Other Financing Uses	—	338	338
Total Expenditures and Other Financing Uses	17,758	31,537	55,787
<b>Fund Balance June 30</b>	<b>10,094</b>	<b>14,845</b>	<b>35,488</b>
<b>Drinking Water State Revolving Fund (P.L. 1998, c.84)</b>			
Fund Balance July 1	77,423	97,822	122,143
Revenues			
Federal and other grants	17,144	18,427	18,427
Investment earnings	768	550	656
Total Revenues	17,912	18,977	19,083
Other Financing Sources			
Transfers from other funds	6,118	6,081	6,000
Total Other Financing Sources	6,118	6,081	6,000
Total Available	101,453	122,880	147,226
Other Financing Uses			
Transfers to other funds	3,631	737	—
Total Other Financing Uses	3,631	737	—
<b>Fund Balance June 30</b>	<b>97,822</b>	<b>122,143</b>	<b>147,226</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Economic Development Site Fund (P.L. 1996, c.70)</b>			
Fund Balance July 1	4,512	5,984	8,868
Revenues			
Investment earnings	31	13	13
Total Revenues	31	13	13
Other Financing Sources			
Proceeds from sale of bonds	2,500	4,500	—
Other	143	—	—
Total Other Financing Sources	2,643	4,500	—
Total Available	7,186	10,497	8,881
Expenditures			
Economic planning, development and security	1,133	1,549	1,000
Government direction, management, and control	69	80	—
Total Expenditures	1,202	1,629	1,000
<b>Fund Balance June 30</b>	<b>5,984</b>	<b>8,868</b>	<b>7,881</b>
<b>Emergency Flood Control Fund (P.L. 1978, c.78)</b>			
Fund Balance July 1	353	353	353
Revenues			
Investment earnings	6	7	7
Total Revenues	6	7	7
Total Available	359	360	360
Other Financing Uses			
Transfers to other funds	6	7	7
Total Other Financing Uses	6	7	7
<b>Fund Balance June 30</b>	<b>353</b>	<b>353</b>	<b>353</b>
<b>Emergency Medical Technician Training Fund (P.L. 1992, c.143)</b>			
Fund Balance July 1	9,745	8,703	7,685
Revenues			
Services and assessments	2,149	2,000	2,000
Investment earnings	173	89	70
Total Revenues	2,322	2,089	2,070
Total Available	12,067	10,792	9,755
Expenditures			
Physical and mental health	3,109	3,000	3,000
Total Expenditures	3,109	3,000	3,000
Other Financing Uses			
Transfers to other funds	255	107	294
Total Other Financing Uses	255	107	294
Total Expenditures and Other Financing Uses	3,364	3,107	3,294
<b>Fund Balance June 30</b>	<b>8,703</b>	<b>7,685</b>	<b>6,461</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Emergency Services Fund (N.J.S.A. 52:14E-5)</b>			
Fund Balance July 1	15,073	11,302	11,415
Revenues			
Investment earnings	203	113	113
Total Revenues	203	113	113
Total Available	15,276	11,415	11,528
Expenditures			
Public safety and criminal justice	817	—	600
Community development and environmental management	257	—	—
Total Expenditures	1,074	—	600
Other Financing Uses			
Transfers to other funds	2,900	—	—
Total Other Financing Uses	2,900	—	—
Total Expenditures and Other Financing Uses	3,974	—	600
<b>Fund Balance June 30</b>	<b>11,302</b>	<b>11,415</b>	<b>10,928</b>
<b>Enterprise Zone Assistance Fund (P.L. 1983, c.30)</b>			
Fund Balance July 1	185,367	165,260	187,393
Revenues			
Taxes	60,060	59,500	62,475
Licenses and fees	286	95	99
Investment earnings	2,768	2,000	2,050
Total Revenues	63,114	61,595	64,624
Total Available	248,481	226,855	252,017
Expenditures			
Community development and environmental management	4,720	5,390	5,660
Economic planning, development, and security	34,693	28,613	30,044
Total Expenditures	39,413	34,003	35,704
Other Financing Uses			
Transfers to other funds	43,808	5,459	4,907
Total Other Financing Uses	43,808	5,459	4,907
Total Expenditures and Other Financing Uses	83,221	39,462	40,611
<b>Fund Balance June 30</b>	<b>165,260</b>	<b>187,393</b>	<b>211,406</b>
<b>Environmental Cleanup Fund (P.L. 1996, c.70)</b>			
Fund Balance July 1	(5)	519	3,533
Revenues			
Investment earnings	9	30	50
Total Revenues	9	30	50
Other Financing Sources			
Proceeds from sale of bonds	500	5,000	35,000
Other	29	—	—
Total Other Financing Sources	529	5,000	35,000
Total Available	533	5,549	38,583
Expenditures			
Community development and environmental management	—	2,000	27,000
Government direction, management, and control	14	16	—
Total Expenditures	14	2,016	27,000
<b>Fund Balance June 30</b>	<b>519</b>	<b>3,533</b>	<b>11,583</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>1989 Farmland Preservation Fund (P.L. 1989, c.183)</b>			
Fund Balance July 1	173	197	164
Revenues			
Investment earnings	24	24	16
Total Revenues	24	24	16
Total Available	197	221	180
Expenditures			
Community development and environmental management	—	57	—
Total Expenditures	—	57	—
<b>Fund Balance June 30</b>	<b>197</b>	<b>164</b>	<b>180</b>
<b>1992 Farmland Preservation Fund (P.L. 1992, c.88)</b>			
Fund Balance July 1	3,335	3,219	330
Revenues			
Investment earnings	324	36	3
Total Revenues	324	36	3
Total Available	3,659	3,255	333
Expenditures			
Community development and environmental management	—	2,425	215
Total Expenditures	—	2,425	215
Other Financing Uses			
Transfers to other funds	440	500	65
Total Other Financing Uses	440	500	65
Total Expenditures and Other Financing Uses	440	2,925	280
<b>Fund Balance June 30</b>	<b>3,219</b>	<b>330</b>	<b>53</b>
<b>1995 Farmland Preservation Bond Fund (P.L. 1995, c.204)</b>			
Fund Balance July 1	11,923	9,587	3,578
Revenues			
Investment earnings	511	65	25
Total Revenues	511	65	25
Total Available	12,434	9,652	3,603
Expenditures			
Community development and environmental management	2,847	6,074	1,475
Total Expenditures	2,847	6,074	1,475
Other Financing Uses			
Transfers to other funds	—	—	585
Total Other Financing Uses	—	—	585
Total Expenditures and Other Financing Uses	2,847	6,074	2,060
<b>Fund Balance June 30</b>	<b>9,587</b>	<b>3,578</b>	<b>1,543</b>



# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Fund For Support of Free Public Schools (N.J.S.A. 18A:56-1)</b>			
Fund Balance July 1	122,228	96,028	102,716
Revenues			
Licenses and fees	5,131	6,000	8,000
Investment earnings	3,323	2,060	2,060
Total Revenues	8,454	8,060	10,060
Total Available	130,682	104,088	112,776
Other Financing Uses			
Transfers to other funds	34,654	1,372	5,195
Total Other Financing Uses	34,654	1,372	5,195
<b>Fund Balance June 30</b>	<b>96,028</b>	<b>102,716</b>	<b>107,581</b>
<b>Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)</b>			
Fund Balance July 1	26,224	238,753	194,677
Revenues			
Investment earnings	1,038	1,994	1,500
Other	4,566	5,000	5,000
Total Revenues	5,604	6,994	6,500
Other Financing Sources			
Transfers from other funds	245,293	27,663	28,494
Total Other Financing Sources	245,293	27,663	28,494
Total Available	277,121	273,410	229,671
Expenditures			
Community development and environmental management	36,718	76,969	78,000
Total Expenditures	36,718	76,969	78,000
Other Financing Uses			
Transfers to other funds	1,650	1,764	1,764
Total Other Financing Uses	1,650	1,764	1,764
Total Expenditures and Other Financing Uses	38,368	78,733	79,764
<b>Fund Balance June 30</b>	<b>238,753</b>	<b>194,677</b>	<b>149,907</b>
<b>Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)</b>			
Fund Balance July 1	12,142	307,334	160,540
Revenues			
Investment earnings	1,247	2,465	1,200
Other	313	853	843
Total Revenues	1,560	3,318	2,043
Other Financing Sources			
Transfers from other funds	374,877	41,494	42,740
Total Other Financing Sources	374,877	41,494	42,740
Total Available	388,579	352,146	205,323
Expenditures			
Community development and environmental management	76,750	186,600	161,100
Total Expenditures	76,750	186,600	161,100
Other Financing Uses			
Transfers to other funds	4,495	5,006	5,006
Total Other Financing Uses	4,495	5,006	5,006
Total Expenditures and Other Financing Uses	81,245	191,606	166,106
<b>Fund Balance June 30</b>	<b>307,334</b>	<b>160,540</b>	<b>39,217</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)</b>			
Fund Balance July 1	16,967	16,903	18,399
Revenues			
Investment earnings	369	175	185
Total Revenues	369	175	185
Other Financing Sources			
Transfers from other funds	6,000	6,000	6,000
Total Other Financing Sources	6,000	6,000	6,000
Total Available	23,336	23,078	24,584
Expenditures			
Educational, cultural, and intellectual development	2,226	—	—
Economic planning, development and security	3,804	4,190	5,311
Total Expenditures	6,030	4,190	5,311
Other Financing Uses			
Transfers to other funds	403	489	609
Total Other Financing Uses	403	489	609
Total Expenditures and Other Financing Uses	6,433	4,679	5,920
<b>Fund Balance June 30</b>	<b>16,903</b>	<b>18,399</b>	<b>18,664</b>
<b>Green Trust Fund (P.L. 1983, c.354)</b>			
Fund Balance July 1	92,709	90,740	89,809
Revenues			
Investment earnings	217	87	54
Other	1,370	1,200	1,200
Total Revenues	1,587	1,287	1,254
Other Financing Sources			
Transfers from other funds	3,392	1,782	1,000
Total Other Financing Sources	3,392	1,782	1,000
Total Available	97,688	93,809	92,063
Expenditures			
Community development and environmental management	6,948	4,000	4,000
Total Expenditures	6,948	4,000	4,000
<b>Fund Balance June 30</b>	<b>90,740</b>	<b>89,809</b>	<b>88,063</b>
<b>Hazardous Discharge Fund (P.L. 1981, c. 275)</b>			
Fund Balance July 1	181	181	181
Revenues			
Investment earnings	6	2	2
Total Revenues	6	2	2
Total Available	187	183	183
Other Financing Uses			
Transfers to other funds	6	2	2
Total Other Financing Uses	6	2	2
Total Expenditures and Other Financing Uses	6	2	2
<b>Fund Balance June 30</b>	<b>181</b>	<b>181</b>	<b>181</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)</b>			
Fund Balance July 1	4,042	9,989	13,515
Revenues			
Investment earnings	398	126	126
Total Revenues	398	126	126
Other Financing Sources			
Proceeds from sale of bonds	—	40,000	8,000
Transfers from other funds	20,486	21,000	21,000
Total Other Financing Sources	20,486	61,000	29,000
Total Available	24,926	71,115	42,641
Expenditures			
Community development and environmental management	14,937	57,600	21,000
Total Expenditures	14,937	57,600	21,000
<b>Fund Balance June 30</b>	<b>9,989</b>	<b>13,515</b>	<b>21,641</b>
<b>Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)</b>			
Fund Balance July 1	62,072	64,487	68,729
Revenues			
Services and assessments	15,752	27,650	12,100
Investment earnings	1,183	771	771
Total Revenues	16,935	28,421	12,871
Other Financing Sources			
Transfers from other funds	18,166	12,819	19,814
Total Other Financing Sources	18,166	12,819	19,814
Total Available	97,173	105,727	101,414
Expenditures			
Community development and environmental management	5,550	9,500	9,500
Total Expenditures	5,550	9,500	9,500
Other Financing Uses			
Transfers to other funds	27,136	27,498	28,133
Total Other Financing Uses	27,136	27,498	28,133
Total Expenditures and Other Financing Uses	32,686	36,998	37,633
<b>Fund Balance June 30</b>	<b>64,487</b>	<b>68,729</b>	<b>63,781</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Health Care Subsidy Fund (P.L. 1992, c. 160)</b>			
Fund Balance July 1	31,702	7,022	977
Revenues			
Taxes	484,809	480,000	255,000
Services and assessments	39,118	40,000	154,581
Investment earnings	818	500	500
Total Revenues	524,745	520,500	410,081
Other Financing Sources			
Transfers from other funds	—	25,200	110,419
Total Other Financing Sources	—	25,200	110,419
Total Available	556,447	552,722	521,477
Expenditures			
Physical and mental health	20,875	21,000	25,000
Total Expenditures	20,875	21,000	25,000
Other Financing Uses			
Transfers to other funds	528,550	530,745	495,987
Total Other Financing Uses	528,550	530,745	495,987
Total Expenditures and Other Financing Uses	549,425	551,745	520,987
<b>Fund Balance June 30</b>	<b>7,022</b>	<b>977</b>	<b>490</b>
<b>Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c. 126)</b>			
Fund Balance July 1	1,317	1,278	527
Revenues			
Investment earnings	5	2	1
Total Revenues	5	2	1
Total Available	1,322	1,280	528
Expenditures			
Educational, cultural and intellectual development	44	753	—
Total Expenditures	44	753	—
<b>Fund Balance June 30</b>	<b>1,278</b>	<b>527</b>	<b>528</b>
<b>1992 Historic Preservation Fund (P.L. 1992, c.88)</b>			
Fund Balance July 1	1,403	216	2,953
Revenues			
Investment earnings	173	17	30
Total Revenues	173	17	30
Other Financing Sources			
Proceeds from sale of bonds	—	3,000	—
Total Other Financing Sources	—	3,000	—
Total Available	1,576	3,233	2,983
Expenditures			
Educational, cultural and intellectual development	672	—	—
Economic planning, development and security	688	280	236
Total Expenditures	1,360	280	236
<b>Fund Balance June 30</b>	<b>216</b>	<b>2,953</b>	<b>2,747</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>1995 Historic Preservation Fund (P.L. 1995, c.204)</b>			
Fund Balance July 1	1,376	782	2,842
Revenues			
Investment earnings	22	22	30
Total Revenues	22	22	30
Other Financing Sources			
Proceeds from sale of bonds	—	3,000	—
Total Other Financing Sources	—	3,000	—
Total Available	1,398	3,804	2,872
Expenditures			
Educational, cultural and intellectual development	179	—	—
Economic planning, development and security	437	962	951
Total Expenditures	616	962	951
<b>Fund Balance June 30</b>	<b>782</b>	<b>2,842</b>	<b>1,921</b>
<b>Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)</b>			
Fund Balance July 1	3,782	3,856	3,906
Revenues			
Investment earnings	60	36	35
Other	14	14	14
Total Revenues	74	50	49
Total Available	3,856	3,906	3,955
Expenditures			
Educational, cultural and intellectual development	—	—	3,000
Total Expenditures	—	—	3,000
<b>Fund Balance June 30</b>	<b>3,856</b>	<b>3,906</b>	<b>955</b>
<b>Horse Racing injury Compensation Fund (P.L. 1995, c.329)</b>			
Fund Balance July 1	3,638	4,319	4,866
Revenues			
Services and assessments	1,117	1,000	1,000
Investment earnings	67	47	50
Total Revenues	1,184	1,047	1,050
Total Available	4,822	5,366	5,916
Expenditures			
Public safety and criminal justice	503	500	500
Total Expenditures	503	500	500
<b>Fund Balance June 30</b>	<b>4,319</b>	<b>4,866</b>	<b>5,416</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Housing Assistance Fund (P.L. 1968, c.127)</b>			
Fund Balance July 1 .....	6,938	6,938	6,938
Revenues			
Investment earnings .....	73	44	40
Other .....	4	10	10
Total Revenues .....	77	54	50
Total Available .....	7,015	6,992	6,988
Other Financing Uses			
Transfers to other funds .....	77	54	50
Total Other Financing Uses .....	77	54	50
Total Expenditures and Other Financing Uses .....	77	54	50
<b>Fund Balance June 30 .....</b>	<b>6,938</b>	<b>6,938</b>	<b>6,938</b>
<b>Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)</b>			
Fund Balance July 1 .....	2,984	7,749	4,100
Revenues			
Investment earnings .....	224	85	50
Other .....	—	—	—
Total Revenues .....	224	85	50
Other Financing Sources			
Proceeds from sale of bonds .....	7,000	—	—
Other .....	400	—	—
Total Other Financing Sources .....	7,400	—	—
Total Available .....	10,608	7,834	4,150
Expenditures			
Educational, cultural and intellectual development .....	1,009	2,425	—
Economic planning, development and security .....	1,450	1,000	1,000
Government direction, management, and control .....	176	224	—
Total Expenditures .....	2,635	3,649	1,000
Other Financing Uses			
Transfers to other funds .....	224	85	50
Total Other Financing Uses .....	224	85	50
Total Expenditures and Other Financing Uses .....	2,859	3,734	1,050
<b>Fund Balance June 30 .....</b>	<b>7,749</b>	<b>4,100</b>	<b>3,100</b>
<b>Jobs, Science and Technology Fund (P.L. 1984, c.99)</b>			
Fund Balance July 1 .....	50	29	2
Revenues			
Investment earnings .....	1	—	—
Total Revenues .....	1	—	—
Total Available .....	51	29	2
Expenditures			
Educational, cultural and intellectual development .....	21	27	2
Total Expenditures .....	21	27	2
Other Financing Uses			
Transfers to other funds .....	1	—	—
Total Other Financing Uses .....	1	—	—
Total Expenditures and Other Financing Uses .....	22	27	2
<b>Fund Balance June 30 .....</b>	<b>29</b>	<b>2</b>	<b>—</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Korean Veterans Memorial Fund (P.L. 1996, c.72)</b>			
Fund Balance July 1	(1,049)	(1,025)	(990)
Revenues			
Contributions	26	35	40
Total Revenues	26	35	40
Total Available	(1,023)	(990)	(950)
Expenditures			
Special government services	2	—	—
Total Expenditures	2	—	—
<b>Fund Balance June 30</b>	<b>(1,025)</b>	<b>(990)</b>	<b>(950)</b>
<b>Lake Restoration Fund (P.L. 1996, c.70)</b>			
Fund Balance July 1	2,536	2,434	2,122
Revenues			
Investment earnings	25	14	14
Other	8	24	24
Total Revenues	33	38	38
Total Available	2,569	2,472	2,160
Expenditures			
Community development and environmental management	135	350	350
Total Expenditures	135	350	350
<b>Fund Balance June 30</b>	<b>2,434</b>	<b>2,122</b>	<b>1,810</b>
<b>Legal Services Fund (P.L. 1996, c.52)</b>			
Fund Balance July 1	—	—	—
Revenues			
Licenses and fees	10,071	10,750	10,750
Total Revenues	10,071	10,750	10,750
Total Available	10,071	10,750	10,750
Other Financing Uses			
Transfers to other funds	10,071	10,750	10,750
Total Other Financing Uses	10,071	10,750	10,750
<b>Fund Balance June 30</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Luxury Tax Fund (N.J.S. A. 40:48–8.30a(B), (P.L. 1991, c375)</b>			
Fund Balance July 1	1,859	1,871	1,883
Revenues			
Taxes	19,768	19,800	22,000
Investment earnings	12	12	12
Total Revenues	19,780	19,812	22,012
Total Available	21,639	21,683	23,895
Expenditures			
Government direction, management, and control	19,768	19,800	22,000
Total Expenditures	19,768	19,800	22,000
<b>Fund Balance June 30</b>	<b>1,871</b>	<b>1,883</b>	<b>1,895</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Medical Education Facilities Fund (P.L. 1977, c.235)</b>			
Fund Balance July 1 . . . . .	515	515	515
Revenues			
Investment earnings . . . . .	9	5	5
Total Revenues . . . . .	9	5	5
Total Available . . . . .	524	520	520
Other Financing Uses			
Transfers to other funds . . . . .	9	5	5
Total Other Financing Uses . . . . .	9	5	5
<b>Fund Balance June 30 . . . . .</b>	<b>515</b>	<b>515</b>	<b>515</b>
<b>Mortgage Assistance Fund (P.L. 1976, c.94)</b>			
Fund Balance July 1 . . . . .	13,826	13,826	13,826
Revenues			
Investment earnings . . . . .	22	20	20
Other . . . . .	740	740	740
Total Revenues . . . . .	762	760	760
Total Available . . . . .	14,588	14,586	14,586
Other Financing Uses			
Transfers to other funds . . . . .	762	760	760
Total Other Financing Uses . . . . .	762	760	760
<b>Fund Balance June 30 . . . . .</b>	<b>13,826</b>	<b>13,826</b>	<b>13,826</b>
<b>Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)</b>			
Fund Balance July 1 . . . . .	10,361	10,364	10,000
Revenues			
Services and assessments . . . . .	459	—	—
Investment earnings . . . . .	181	100	96
Other . . . . .	—	186	—
Total Revenues . . . . .	640	286	96
Total Available . . . . .	11,001	10,650	10,096
Expenditures			
Economic planning, development and security . . . . .	637	650	700
Total Expenditures . . . . .	637	650	700
<b>Fund Balance June 30 . . . . .</b>	<b>10,364</b>	<b>10,000</b>	<b>9,396</b>



# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Natural Resources Fund (P.L. 1977, c.133)</b>			
Fund Balance July 1	4,848	2,277	7,290
Revenues			
Investment earnings	65	15	38
Total Revenues	65	15	38
Other Financing Sources			
Proceeds from sale of bonds	30,400	11,000	—
Other	1,738	—	—
Total Other Financing Sources	32,138	11,000	—
Total Available	37,051	13,292	7,328
Expenditures			
Community development and environmental management	2,192	5,000	2,000
Government direction, management, and control	766	987	—
Total Expenditures	2,958	5,987	2,000
Other Financing Uses			
Transfers to other funds	31,816	15	38
Total Other Financing Uses	31,816	15	38
Total Expenditures and Other Financing Uses	34,774	6,002	2,038
<b>Fund Balance June 30</b>	<b>2,277</b>	<b>7,290</b>	<b>5,290</b>
<b>New Home Warranty Security Fund (N.J.S.A. 46:3B-7)</b>			
Fund Balance July 1	29,153	31,789	34,029
Revenues			
Licenses and fees	805	805	805
Services and assessments	5,061	5,100	5,100
Investment earnings	565	375	380
Other	359	360	360
Total Revenues	6,790	6,640	6,645
Total Available	35,943	38,429	40,674
Expenditures			
Community development and environmental management	828	1,000	1,000
Total Expenditures	828	1,000	1,000
Other Financing Uses			
Transfers to other funds	3,326	3,400	3,500
Total Other Financing Uses	3,326	3,400	3,500
Total Expenditures and Other Financing Uses	4,154	4,400	4,500
<b>Fund Balance June 30</b>	<b>31,789</b>	<b>34,029</b>	<b>36,174</b>
<b>New Jersey Automobile Insurance Guaranty Fund (P.L. 1990, C.8)</b>			
Fund Balance July 1	204,409	—	—
Revenues			
Investment earnings	3,190	321	—
Other	—	—	—
Total Revenues	3,190	321	—
Total Available	207,599	321	—
Expenditures			
Economic planning, development, and security	206,119	321	—
Government direction, management, and control	1,480	—	—
Total Expenditures	207,599	321	—
<b>Fund Balance June 30</b>	<b>—</b>	<b>—</b>	<b>—</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>New Jersey Coastal Blue Acres Fund (P.L. 1995, c.204)</b>			
Fund Balance July 1	1,985	1,161	3,386
Revenues			
Investment earnings	19	10	26
Other	14	15	15
Total Revenues	33	25	41
Other Financing Sources			
Proceeds from sale of bonds	—	3,000	3,000
Total Other Financing Sources	—	3,000	3,000
Total Available	2,018	4,186	6,427
Expenditures			
Community development and environmental management	857	800	3,800
Total Expenditures	857	800	3,800
<b>Fund Balance June 30</b>	<b>1,161</b>	<b>3,386</b>	<b>2,627</b>
<b>New Jersey Cultural Trust (P.L. 2000, c.76)</b>			
Fund Balance July 1	11,933	20,288	20,291
Revenues			
Investment earnings	355	203	202
Total Revenues	355	203	202
Other Financing Sources			
Transfers from other funds	10,000	500	720
Total Other Financing Sources	10,000	500	720
Total Available	22,288	20,991	21,213
Expenditures			
Government direction, management, and control	2,000	700	900
Total Expenditures	2,000	700	900
<b>Fund Balance June 30</b>	<b>20,288</b>	<b>20,291</b>	<b>20,313</b>
<b>1983 New Jersey Green Acres Fund (P.L. 1983, c.354)</b>			
Fund Balance July 1	19,857	19,750	19,670
Revenues			
Investment earnings	346	197	197
Other	13	—	—
Total Revenues	359	197	197
Total Available	20,216	19,947	19,867
Expenditures			
Community development and environmental management	107	80	35
Total Expenditures	107	80	35
Other Financing Uses			
Transfers to other funds	359	197	197
Total Other Financing Uses	359	197	197
Total Expenditures and Other Financing Uses	466	277	232
<b>Fund Balance June 30</b>	<b>19,750</b>	<b>19,670</b>	<b>19,635</b>

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## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>1989 New Jersey Green Acres Fund (P.L. 1989, c.183)</b>			
Fund Balance July 1 .....	6,709	5,526	5,381
Revenues			
Federal and other grants .....	987	—	—
Investment earnings .....	116	55	53
Total Revenues .....	1,103	55	53
Total Available .....	7,812	5,581	5,434
Expenditures			
Community development and environmental management .....	2,286	200	200
Total Expenditures .....	2,286	200	200
<b>Fund Balance June 30 .....</b>	<b>5,526</b>	<b>5,381</b>	<b>5,234</b>
<b>1992 New Jersey Green Acres Fund (P.L. 1992, c. 88)</b>			
Fund Balance July 1 .....	1,799	1,644	1,259
Revenues			
Investment earnings .....	449	15	11
Total Revenues .....	449	15	11
Total Available .....	2,248	1,659	1,270
Expenditures			
Community development and environmental management .....	604	400	400
Total Expenditures .....	604	400	400
<b>Fund Balance June 30 .....</b>	<b>1,644</b>	<b>1,259</b>	<b>870</b>
<b>1995 New Jersey Green Acres Fund (P.L. 1995, c. 204)</b>			
Fund Balance July 1 .....	230	677	8,697
Revenues			
Investment earnings .....	230	20	17
Other .....	1,406	—	—
Total Revenues .....	1,636	20	17
Other Financing Sources			
Proceeds from sale of bonds .....	6,000	10,000	—
Other .....	343	—	—
Total Other Financing Sources .....	6,343	10,000	—
Total Available .....	8,209	10,697	8,714
Expenditures			
Community development and environmental management .....	7,381	2,000	2,000
Government direction, management, and control .....	151	—	—
Total Expenditures .....	7,532	2,000	2,000
<b>Fund Balance June 30 .....</b>	<b>677</b>	<b>8,697</b>	<b>6,714</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>1989 New Jersey Green Trust Fund (P.L. 1989, c.183)</b>			
Fund Balance July 1	101,333	96,827	90,469
Revenues			
Investment earnings	1,335	242	228
Other	1,392	1,400	1,400
Total Revenues	2,727	1,642	1,628
Total Available	104,060	98,469	92,097
Expenditures			
Community development and environmental management	7,233	8,000	8,000
Total Expenditures	7,233	8,000	8,000
<b>Fund Balance June 30</b>	<b>96,827</b>	<b>90,469</b>	<b>84,097</b>
<b>1992 New Jersey Green Trust Fund (P.L. 1992, c. 88)</b>			
Fund Balance July 1	37,705	36,707	42,402
Revenues			
Investment earnings	469	20	50
Other	675	675	675
Total Revenues	1,144	695	725
Other Financing Sources			
Proceeds from sale of bonds	—	8,000	10,000
Total Other Financing Sources	—	8,000	10,000
Total Available	38,849	45,402	53,127
Expenditures			
Community development and environmental management	2,142	3,000	3,000
Total Expenditures	2,142	3,000	3,000
<b>Fund Balance June 30</b>	<b>36,707</b>	<b>42,402</b>	<b>50,127</b>
<b>1995 New Jersey Green Trust Fund (P.L. 1995, c. 204)</b>			
Fund Balance July 1	31,214	53,161	60,488
Revenues			
Investment earnings	223	47	38
Other	859	1,000	1,000
Total Revenues	1,082	1,047	1,038
Other Financing Sources			
Proceeds from sale of bonds	22,500	10,000	20,000
Other	1,286	—	—
Total Other Financing Sources	23,786	10,000	20,000
Total Available	56,082	64,208	81,526
Expenditures			
Community development and environmental management	2,316	3,000	3,000
Government direction, management, and control	605	720	—
Total Expenditures	2,921	3,720	3,000
<b>Fund Balance June 30</b>	<b>53,161</b>	<b>60,488</b>	<b>78,526</b>

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## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)</b>			
Fund Balance July 1	2,099	1,633	1,148
Revenues			
Investment earnings	35	15	11
Other	16	—	—
Total Revenues	51	15	11
Total Available	2,150	1,648	1,159
Expenditures			
Community development and environmental management	517	500	500
Total Expenditures	517	500	500
<b>Fund Balance June 30</b>	<b>1,633</b>	<b>1,148</b>	<b>659</b>
<b>New Jersey Insolvent Health Maintenance Fund (P.L. 2000, c. 12)</b>			
Fund Balance July 1	12,462	25,445	3,045
Revenues			
Services and assessments	14,200	—	—
Investment earnings	445	250	—
Total Revenues	14,645	250	—
Other Financing Sources			
Transfers from other funds	—	16,100	—
Total Other Financing Sources	—	16,100	—
Total Available	27,107	41,795	3,045
Expenditures			
Economic planning, development, and security	1,217	38,500	3,045
Total Expenditures	1,217	38,500	3,045
Other Financing Uses			
Transfers to other funds	445	250	—
Total Other Financing Uses	445	250	—
Total Expenditures and Other Financing Uses	1,662	38,750	3,045
<b>Fund Balance June 30</b>	<b>25,445</b>	<b>3,045</b>	<b>—</b>
<b>New Jersey Local Development Financing Fund (P.L. 1983, c.190)</b>			
Fund Balance July 1	49,860	50,650	50,757
Revenues			
Licenses and fees	26	22	22
Investment earnings	313	195	200
Other	1,513	1,460	1,500
Total Revenues	1,852	1,677	1,722
Total Available	51,712	52,327	52,479
Expenditures			
Economic planning, development and security	1,062	1,570	950
Total Expenditures	1,062	1,570	950
<b>Fund Balance June 30</b>	<b>50,650</b>	<b>50,757</b>	<b>51,529</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>New Jersey Racing Industry Special Fund (P.L. 2001, c.199)</b>			
Fund Balance July 1 .....	—	103	104
Revenues			
Investment earnings .....	2	1	1
Other .....	101	8,000	8,000
Total Revenues .....	103	8,001	8,001
Total Available .....	103	8,104	8,105
Expenditures			
Public safety and criminal justice .....	—	8,000	8,000
Total Expenditures .....	—	8,000	8,000
<b>Fund Balance June 30 .....</b>	<b>103</b>	<b>104</b>	<b>105</b>
 <b>New Jersey Spill Compensation Fund (P.L. 1976, c. 141)</b>			
Fund Balance July 1 .....	21,016	8,800	7,240
Revenues			
Taxes .....	15,094	22,000	35,000
Licenses and fees .....	4,430	7,040	7,760
Investment earnings .....	456	257	257
Other .....	331	—	—
Total Revenues .....	20,311	29,297	43,017
Total Available .....	41,327	38,097	50,257
Expenditures			
Community development and environmental management .....	2,422	3,100	3,100
Total Expenditures .....	2,422	3,100	3,100
Other Financing Uses			
Transfers to other funds .....	30,105	27,757	41,460
Total Other Financing Uses .....	30,105	27,757	41,460
Total Expenditures and Other Financing Uses .....	32,527	30,857	44,560
<b>Fund Balance June 30 .....</b>	<b>8,800</b>	<b>7,240</b>	<b>5,697</b>
 <b>New Jersey Spinal Cord Research Fund (P.L. 1999, c. 201)</b>			
Fund Balance July 1 .....	6,682	10,272	8,746
Revenues			
Investment earnings .....	149	120	100
Other .....	4,123	3,600	3,600
Total Revenues .....	4,272	3,720	3,700
Total Available .....	10,954	13,992	12,446
Expenditures			
Physical and mental health .....	456	5,000	5,500
Total Expenditures .....	456	5,000	5,500
Other Financing Uses			
Transfers to other funds .....	226	246	258
Total Other Financing Uses .....	226	246	258
Total Expenditures and Other Financing Uses .....	682	5,246	5,758
<b>Fund Balance June 30 .....</b>	<b>10,272</b>	<b>8,746</b>	<b>6,688</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>New Jersey Workforce Development Partnership Fund (P.L. 1992, c. 44)</b>			
Fund Balance July 1	75,761	67,803	30,185
Revenues			
Taxes	76,116	87,800	92,800
Investment earnings	645	521	364
Total Revenues	76,761	88,321	93,164
Total Available	152,522	156,124	123,349
Expenditures			
Educational, cultural, and intellectual development	2,137	—	—
Economic planning, development, and security	34,298	56,600	60,000
Total Expenditures	36,435	56,600	60,000
Other Financing Uses			
Transfers to other funds	48,284	69,339	42,500
Total Other Financing Uses	48,284	69,339	42,500
Total Expenditures and Other Financing Uses	84,719	125,939	102,500
<b>Fund Balance June 30</b>	<b>67,803</b>	<b>30,185</b>	<b>20,849</b>
<b>Petroleum Overcharge Reimbursement Fund (P.L. 1987,c.231)</b>			
Fund Balance July 1	12,150	14,424	11,534
Revenues			
Federal and other grants	3,598	—	—
Investment earnings	219	110	71
Total Revenues	3,817	110	71
Total Available	15,967	14,534	11,605
Expenditures			
Community development and environmental management	902	2,000	2,000
Economic planning, development, and security	181	300	300
Government direction, management, and control	460	700	700
Total Expenditures	1,543	3,000	3,000
<b>Fund Balance June 30</b>	<b>14,424</b>	<b>11,534</b>	<b>8,605</b>
<b>Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)</b>			
Fund Balance July 1	9,305	9,327	9,428
Revenues			
Investment earnings	66	47	52
Other	162	164	164
Total Revenues	228	211	216
Total Available	9,533	9,538	9,644
Expenditures			
Community development and environmental management	—	110	25
Total Expenditures	—	110	25
Other Financing Uses			
Transfers to other funds	206	—	—
Total Other Financing Uses	206	—	—
Total Expenditures and Other Financing Uses	206	110	25
<b>Fund Balance June 30</b>	<b>9,327</b>	<b>9,428</b>	<b>9,619</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Pollution Prevention Fund (P.L. 1991, c. 235)</b>			
Fund Balance July 1	3,833	2,180	1,200
Revenues			
Services and assessments	1,365	1,370	1,380
Investment earnings	59	30	10
Total Revenues	1,424	1,400	1,390
Total Available	5,257	3,580	2,590
Other Financing Uses			
Transfers to other funds	3,077	2,380	2,380
Total Other Financing Uses	3,077	2,380	2,380
<b>Fund Balance June 30</b>	<b>2,180</b>	<b>1,200</b>	<b>210</b>
<b>Real Estate Guaranty Fund (N.J.S.A. 45:15-34)</b>			
Fund Balance July 1	2,075	2,200	1,218
Revenues			
Licenses and fees	117	100	100
Investment earnings	35	18	12
Total Revenues	152	118	112
Total Available	2,227	2,318	1,330
Expenditures			
Economic planning, development, and security	27	100	100
Total Expenditures	27	100	100
Other Financing Uses			
Transfers to other funds	—	1,000	—
Total Other Financing Uses	—	1,000	—
Total Expenditures and Other Financing Uses	27	1,100	100
<b>Fund Balance June 30</b>	<b>2,200</b>	<b>1,218</b>	<b>1,230</b>
<b>Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)</b>			
Fund Balance July 1	(31,257)	494	499
Revenues			
Investment earnings	12	5	5
Other	20	—	—
Total Revenues	32	5	5
Other Financing Sources			
Transfers from other funds	31,799	—	—
Total Other Financing Sources	31,799	—	—
Total Available	574	499	504
Expenditures			
Government direction, management, and control	80	—	—
Total Expenditures	80	—	—
<b>Fund Balance June 30</b>	<b>494</b>	<b>499</b>	<b>504</b>



# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Safe Drinking Water Fund (P.L. 1983, c. 443)</b>			
Fund Balance July 1	4,108	2,749	1,778
Revenues			
Taxes	3,034	3,000	3,000
Investment earnings	96	60	40
Total Revenues	3,130	3,060	3,040
Total Available	7,238	5,809	4,818
Expenditures			
Community development and environmental management	174	100	100
Total Expenditures	174	100	100
Other Financing Uses			
Transfers to other funds	4,315	3,931	4,437
Total Other Financing Uses	4,315	3,931	4,437
Total Expenditures and Other Financing Uses	4,489	4,031	4,537
<b>Fund Balance June 30</b>	<b>2,749</b>	<b>1,778</b>	<b>281</b>
<b>Sanitary Landfill Facility Contingency Fund (P.L. 1981, c. 306)</b>			
Fund Balance July 1	9,438	10,974	12,099
Revenues			
Services and assessments	2,026	2,000	2,300
Investment earnings	181	125	127
Total Revenues	2,207	2,125	2,427
Total Available	11,645	13,099	14,526
Expenditures			
Community development and environmental management	671	1,000	1,000
Total Expenditures	671	1,000	1,000
<b>Fund Balance June 30</b>	<b>10,974</b>	<b>12,099</b>	<b>13,526</b>
<b>Shore Protection Fund (P.L. 1983, c. 356)</b>			
Fund Balance July 1	11,443	11,092	10,792
Revenues			
Investment earnings	186	108	101
Other	84	80	80
Total Revenues	270	188	181
Total Available	11,713	11,280	10,973
Expenditures			
Community development and environmental management	351	300	300
Total Expenditures	351	300	300
Other Financing Uses			
Transfers to other funds	270	188	181
Total Other Financing Uses	270	188	181
Total Expenditures and Other Financing Uses	621	488	481
<b>Fund Balance June 30</b>	<b>11,092</b>	<b>10,792</b>	<b>10,492</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>State Disability Benefit Fund (N.J.S.A. 43:21-46a)</b>			
Fund Balance July 1 .....	210,432	217,003	215,055
Revenue:			
Taxes .....	436,840	477,700	503,100
Services and assessments .....	28,797	29,000	30,000
Investment earnings .....	1,083	1,300	1,000
Other .....	53	52	52
Total Revenues .....	466,773	508,052	534,152
Total Available .....	677,205	725,055	749,207
Expenditures			
Economic planning, development and security .....	429,071	448,000	466,600
Government direction, management, and control .....	5	—	—
Total Expenditures .....	429,076	448,000	466,600
Other Financing Uses			
Transfers to other funds .....	31,126	62,000	142,000
Total Other Financing Uses .....	31,126	62,000	142,000
Total Expenditures and Other Financing Uses .....	460,202	510,000	608,600
<b>Fund Balance June 30 .....</b>	<b>217,003</b>	<b>215,055</b>	<b>140,607</b>
<b>State Land Acquisition and Development Fund (P.L. 1978, c. 118)</b>			
Fund Balance July 1 .....	(1,002)	1,007	443
Revenues			
Investment earnings .....	18	8	5
Total Revenues .....	18	8	5
Other Financing Sources			
Proceeds from sale of bonds .....	2,000	—	—
Other .....	114	—	—
Total Other Financing Sources .....	2,114	—	—
Total Available .....	1,130	1,015	448
Expenditures			
Community development and environmental management .....	54	500	100
Government direction, management, and control .....	53	64	—
Total Expenditures .....	107	564	100
Other Financing Uses			
Transfers to other funds .....	16	8	5
Total Other Financing Uses .....	16	8	5
Total Expenditures and Other Financing Uses .....	123	572	105
<b>Fund Balance June 30 .....</b>	<b>1,007</b>	<b>443</b>	<b>343</b>

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## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)</b>			
Fund Balance July 1 . . . . .	1,548	1,548	798
Revenues			
Investment earnings . . . . .	28	12	5
Total Revenues . . . . .	28	12	5
Total Available . . . . .	1,576	1,560	803
Expenditures			
Community development and environmental management . . . . .	—	750	100
Total Expenditures . . . . .	—	750	100
Other Financing Uses			
Transfers to other funds . . . . .	28	12	5
Total Other Financing Uses . . . . .	28	12	5
Total Expenditures and Other Financing Uses . . . . .	28	762	105
<b>Fund Balance June 30 . . . . .</b>	<b>1,548</b>	<b>798</b>	<b>698</b>
 <b>State Recycling Fund (P.L. 1981, c. 278)</b>			
Fund Balance July 1 . . . . .	4,677	6,681	1,767
Revenues			
Investment earnings . . . . .	46	30	20
Other . . . . .	101	100	100
Total Revenues . . . . .	147	130	120
Other Financing Sources			
Transfers from other funds . . . . .	3,162	3,500	3,500
Total Other Financing Sources . . . . .	3,162	3,500	3,500
Total Available . . . . .	7,986	10,311	5,387
Expenditures			
Community development and environmental management . . . . .	318	7,150	3,650
Total Expenditures . . . . .	318	7,150	3,650
Other Financing Uses			
Transfers to other funds . . . . .	987	1,394	1,461
Total Other Financing Uses . . . . .	987	1,394	1,461
Total Expenditures and Other Financing Uses . . . . .	1,305	8,544	5,111
<b>Fund Balance June 30 . . . . .</b>	<b>6,681</b>	<b>1,767</b>	<b>276</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)</b>			
Fund Balance July 1	60,551	42,098	29,874
Revenues			
Services and assessment	44	—	—
Investment earnings	933	325	126
Other	—	12,451	—
Total Revenues	977	12,776	126
Total Available	61,528	54,874	30,000
Expenditures			
Economic planning, development, and security	19,430	25,000	15,000
Total Expenditures	19,430	25,000	15,000
Other Financing Uses			
Transfers to other funds	—	—	—
Total Other Financing Uses	—	—	—
Total Expenditures and Other Financing Uses	19,430	25,000	15,000
<b>Fund Balance June 30</b>	<b>42,098</b>	<b>29,874</b>	<b>15,000</b>
<b>Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c. 181)</b>			
Fund Balance July 1	3,472	6,522	2,391
Revenues			
Investment earnings	216	45	29
Total Revenues	216	45	29
Other Financing Sources			
Proceeds from sale of bonds	5,500	—	10,000
Other	314	—	—
Total Other Financing Sources	5,814	—	10,000
Total Available	9,502	6,567	12,420
Expenditures			
Community development and environmental management	2,842	4,000	3,000
Government direction, management, control	138	176	—
Total Expenditures	2,980	4,176	3,000
<b>Fund Balance June 30</b>	<b>6,522</b>	<b>2,391</b>	<b>9,420</b>
<b>Supplemental Workforce for Basic Skills Fund (P.L.2001, c.152)</b>			
Fund Balance July 1	13,951	20,254	12,618
Revenues			
Taxes	29,534	24,200	25,600
Investment earnings	317	164	70
Total Revenues	29,851	24,364	25,670
Total Available	43,802	44,618	38,288
Expenditures			
Economic planning, development and security	21,548	30,000	35,000
Total Expenditures	21,548	30,000	35,000
Other Financing Uses			
Transfers to other funds	2,000	2,000	2,000
Total Other Financing Uses	2,000	2,000	2,000
Total Expenditures and Other Financing Uses	23,548	32,000	37,000
<b>Fund Balance June 30</b>	<b>20,254</b>	<b>12,618</b>	<b>1,288</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Tobacco Settlement Fund</b>			
Fund Balance July 1	24,139	1,504,174	—
Revenues			
Investment earnings	6,160	160	—
Other	3,035,549	124,176	—
Total Revenues	3,041,709	124,336	—
Total Available	3,065,848	1,628,510	—
Expenditures			
Educational, cultural, and intellectual development	5,000	—	—
Total Expenditures	5,000	—	—
Other Financing Uses			
Transfers to other funds	1,556,674	1,628,510	—
Total Other Financing Uses	1,556,674	1,628,510	—
Total Expenditures and Other Financing Uses	1,561,674	1,628,510	—
<b>Fund Balance June 30</b>	<b>1,504,174</b>	<b>—</b>	<b>—</b>
<b>Unclaimed Child Support Trust Fund (P.L. 1995, c.115)</b>			
Fund Balance July 1	1,987	2,139	2,189
Revenues			
Investment earnings	34	28	25
Other	125	32	32
Total Revenues	159	60	57
Total Available	2,146	2,199	2,246
Expenditures			
Government direction, management, and control	7	10	10
Total Expenditures	7	10	10
<b>Fund Balance June 30</b>	<b>2,139</b>	<b>2,189</b>	<b>2,236</b>
<b>Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)</b>			
Fund Balance July 1	1,825	2,969	2,069
Revenues			
Investment earnings	53	35	45
Other	2,035	2,500	1,500
Total Revenues	2,088	2,535	1,545
Total Available	3,913	5,504	3,614
Expenditures			
Government direction, management, and control	891	3,400	1,242
Total Expenditures	891	3,400	1,242
Other Financing Uses			
Transfers to other funds	53	35	45
Total Other Financing Uses	53	35	45
Total Expenditures and Other Financing Uses	944	3,435	1,287
<b>Fund Balance June 30</b>	<b>2,969</b>	<b>2,069</b>	<b>2,327</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Unemployment Compensation Auxiliary Fund (NJSA 43:21-14g)</b>			
Fund Balance July 1	2	269	484
Revenues			
Investment earnings	85	90	90
Other	16,568	17,800	17,800
Total Revenues	16,653	17,890	17,890
Total Available	16,655	18,159	18,374
Other Financing Uses			
Transfers to other funds	16,386	17,675	17,530
Total Other Financing Uses	16,386	17,675	17,530
<b>Fund Balance June 30</b>	<b>269</b>	<b>484</b>	<b>844</b>
<b>Universal Services Fund (P.L. 1999, c.23)</b>			
Fund Balance July 1	—	—	—
Revenues			
Services and assessments	—	72,000	72,000
Total Revenues	—	72,000	72,000
Total Available	—	72,000	72,000
Other Financing Uses			
Transfers to other funds	—	72,000	72,000
Total Other Financing Uses	—	72,000	72,000
<b>Fund Balance June 30</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>University of Medicine and Dentistry of New Jersey – Self Insurance Reserve Fund</b>			
Fund Balance July 1	82,508	3,598	118
Revenues			
Services and assessments	5,600	6,800	7,000
Investment earnings	229	18	20
Total Revenues	5,829	6,818	7,020
Other Financing Sources			
Transfers from other funds	—	12,000	18,000
Total Other Financing Sources	—	12,000	18,000
Total Available	88,337	22,416	25,138
Expenditures			
Economic planning, development, and security	24,739	22,298	25,000
Total Expenditures	24,739	22,298	25,000
Other Financing Uses			
Transfers to other funds	60,000	—	—
Total Other Financing Uses	60,000	—	—
Total Expenditures and Other Financing Uses	84,739	22,298	25,000
<b>Fund Balance June 30</b>	<b>3,598</b>	<b>118</b>	<b>138</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Unsatisfied Claim and Judgment Fund (N.J.S.A. 39:6-61)</b>			
Fund Balance July 1	201,374	9,062	—
Revenues			
Licenses and fees	1	—	—
Services and assessments	196,219	—	—
Investment earnings	2,339	500	—
Other	594	—	—
Total Revenues	199,153	500	—
Total Available	400,527	9,562	—
Expenditures			
Economic planning, development, and security	389,004	8,162	—
Total Expenditures	389,004	8,162	—
Other Financing Uses			
Transfers to other funds	2,461	1,400	—
Total Other Financing Uses	2,461	1,400	—
Total Expenditures and Other Financing Uses	391,465	9,562	—
<b>Fund Balance June 30</b>	<b>9,062</b>	<b>—</b>	<b>—</b>
<b>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)</b>			
Fund Balance July 1	8	20,207	20,345
Revenues			
Investment earnings	205	125	100
Other	12	13	20
Total Revenues	217	138	120
Other Financing Sources			
Proceeds from sale of bonds	20,000	—	—
Other	403	—	—
Total Other Financing Sources	20,403	—	—
Total Available	20,628	20,345	20,465
Expenditures			
Government direction, management, and control	421	—	—
Total Expenditures	421	—	—
<b>Fund Balance June 30</b>	<b>20,207</b>	<b>20,345</b>	<b>20,465</b>
<b>Vietnam Veterans' Memorial Home (P.L. 1985, c.494)</b>			
Fund Balance July 1	95	118	118
Revenues			
Contributions	118	110	110
Total Revenues	118	110	110
Total Available	213	228	228
Expenditures			
Special government services	95	110	110
Total Expenditures	95	110	110
<b>Fund Balance June 30</b>	<b>118</b>	<b>118</b>	<b>118</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c. 8)</b>			
Fund Balance July 1	2,904	2,955	2,999
Revenues			
Investment earnings	20	12	12
Other	31	32	32
Total Revenues	51	44	44
Total Available	2,955	2,999	3,043
<b>Fund Balance June 30</b>	<b>2,955</b>	<b>2,999</b>	<b>3,043</b>
<b>Wastewater Treatment Fund (P.L. 1985, c. 329)</b>			
Fund Balance July 1	707,707	750,325	796,714
Revenues			
Federal and other grants	49,875	54,124	54,124
Investment earnings	6,144	4,100	4,200
Other	198	—	—
Total Revenues	56,217	58,224	58,324
Total Available	763,924	808,549	855,038
Expenditures			
Community development and environmental management	5,201	3,689	4,000
Total Expenditures	5,201	3,689	4,000
Other Financing Uses			
Transfers to other funds	8,398	8,146	8,165
Total Other Financing Uses	8,398	8,146	8,165
Total Expenditures and Other Financing Uses	13,599	11,835	12,165
<b>Fund Balance June 30</b>	<b>750,325</b>	<b>796,714</b>	<b>842,873</b>
<b>1992 Wastewater Treatment Fund (P.L. 1992, c. 88)</b>			
Fund Balance July 1	14,841	23,503	31,732
Revenues			
Investment earnings	351	40	25
Total Revenues	351	40	25
Other Financing Sources			
Proceeds from sale of bonds	8,100	8,400	6,000
Other	408	—	—
Total Other Financing Sources	8,508	8,400	6,000
Total Available	23,700	31,943	37,757
Expenditures			
Government direction, management and control	197	211	—
Total Expenditures	197	211	—
<b>Fund Balance June 30</b>	<b>23,503</b>	<b>31,732</b>	<b>37,757</b>



# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES SPECIAL REVENUE FUNDS

### APPENDIX 1A (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Water Conservation Fund (P.L. 1969, c. 127)</b>			
Fund Balance July 1	1,236	1,236	1,011
Revenues			
Federal and other grants	—	225	225
Investment earnings	25	12	9
Other	19	16	11
Total Revenues	44	253	245
Total Available	1,280	1,489	1,256
Expenditures			
Community development and environmental management	—	450	450
Total Expenditures	—	450	450
Other Financing Uses			
Transfers to other funds	44	28	20
Total Other Financing Uses	44	28	20
Total Expenditures and Other Financing Uses	44	478	470
<b>Fund Balance June 30</b>	<b>1,236</b>	<b>1,011</b>	<b>786</b>
 <b>Water Supply Fund (P.L. 1981, c. 261)</b>			
Fund Balance July 1	186,034	172,465	167,121
Revenues			
Investment earnings	954	535	500
Other	4,860	4,900	4,900
Total Revenues	5,814	5,435	5,400
Total Available	191,848	177,900	172,521
Expenditures			
Community development and environmental management	15,931	7,000	7,000
Total Expenditures	15,931	7,000	7,000
Other Financing Uses			
Transfers to other funds	3,452	3,779	3,779
Total Other Financing Uses	3,452	3,779	3,779
Total Expenditures and Other Financing Uses	19,383	10,779	10,779
<b>Fund Balance June 30</b>	<b>172,465</b>	<b>167,121</b>	<b>161,742</b>
 <b>Water Supply Replacement Trust Fund (P.L. 1988, c. 106)</b>			
Fund Balance July 1	162	71	64
Revenues			
Investment earnings	2	1	1
Total Revenues	2	1	1
Total Available	164	72	65
Expenditures			
Community development and environmental management	93	8	—
Total Expenditures	93	8	—
<b>Fund Balance June 30</b>	<b>71</b>	<b>64</b>	<b>65</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
SPECIAL REVENUE FUNDS

APPENDIX 1A  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Worker and Community Right To Know Fund (P.L. 1983, c. 315)</b>			
Fund Balance July 1 .....	245	7	59
Revenues			
Licenses and fees .....	1	1	1
Services and assessments .....	2,221	3,500	3,500
Investment earnings .....	11	35	35
Total Revenues .....	2,233	3,536	3,536
Total Available .....	2,478	3,543	3,595
Other Financing Uses			
Transfers to other funds .....	2,471	3,484	3,484
Total Other Financing Uses .....	2,471	3,484	3,484
<b>Fund Balance June 30 .....</b>	<b>7</b>	<b>59</b>	<b>111</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES CAPITAL PROJECTS FUNDS

### APPENDIX 1B (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Correctional Facilities Construction Fund (P.L. 1982, c. 120)</b>			
Fund Balance July 1	609	597	582
Revenues			
Investment earnings	10	6	6
Total Revenues	10	6	6
Total Available	619	603	588
Expenditures			
Public safety and criminal justice	12	15	15
Total Expenditures	12	15	15
Other Financing Uses			
Transfers to other funds	10	6	6
Total Other Financing Uses	10	6	6
Total Expenditures and Other Financing Uses	22	21	21
<b>Fund Balance June 30</b>	<b>597</b>	<b>582</b>	<b>567</b>
<b>1987 Correctional Facilities Construction Fund (P.L. 1987, c.178)</b>			
Fund Balance July 1	4,800	3,119	1,154
Revenues			
Investment earnings	79	21	7
Total Revenues	79	21	7
Total Available	4,879	3,140	1,161
Expenditures			
Public safety and criminal justice	1,351	1,500	754
Total Expenditures	1,351	1,500	754
Other Financing Uses			
Transfers to other funds	409	486	407
Total Other Financing Uses	409	486	407
Total Expenditures and Other Financing Uses	1,760	1,986	1,161
<b>Fund Balance June 30</b>	<b>3,119</b>	<b>1,154</b>	<b>—</b>
<b>Energy Conservation Fund (P.L. 1980, c.68)</b>			
Fund Balance July 1	(120)	(220)	1,797
Revenues			
Investment earnings	4	17	15
Total Revenues	4	17	15
Other Financing Sources			
Proceeds from sale of bonds	—	2,100	—
Total Other Financing Sources	—	2,100	—
Total Available	(116)	1,897	1,812
Expenditures			
Economic planning, development, and security	101	100	100
Government direction, management and control	3	—	—
Total Expenditures	104	100	100
Other Financing Uses			
Transfers to other funds	—	—	15
Total Other Financing Uses	—	—	15
Total Expenditures and Other Financing Uses	104	100	115
<b>Fund Balance June 30</b>	<b>(220)</b>	<b>1,797</b>	<b>1,697</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
CAPITAL PROJECTS FUNDS

APPENDIX 1B  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Human Services Facilities Construction Fund (P.L. 1984, c. 157)</b>			
Fund Balance July 1	270	165	—
Revenues			
Investment earnings	4	1	—
Total Revenues	4	1	—
Total Available	274	166	—
Expenditures			
Educational, cultural, and intellectual development	105	165	—
Total Expenditures	105	165	—
Other Financing Uses			
Transfers to other funds	4	1	—
Total Other Financing Uses	4	1	—
Total Expenditures and Other Financing Uses	109	166	—
<b>Fund Balance June 30</b>	<b>165</b>	<b>—</b>	<b>—</b>
<b>Institutional Construction Fund (P.L. 1978, c. 79)</b>			
Fund Balance July 1	7	7	7
Total Available	7	7	7
<b>Fund Balance June 30</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Institutions Construction Fund (P.L. 1976, c. 93)</b>			
Fund Balance July 1	10	10	10
Revenues			
Investment earnings	—	1	1
Total Revenues	—	1	1
Total Available	10	11	11
Other Financing Uses			
Transfers to other funds	—	1	1
Total Other Financing Uses	—	1	1
<b>Fund Balance June 30</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>New Jersey Bridge Rehabilitation and Improvement and Railroad Right of Way Preservation Fund (P.L. 1989, c. 180)</b>			
Fund Balance July 1	6,698	6,617	5,200
Revenues			
Investment earnings	180	74	55
Other	18	—	—
Total Revenues	198	74	55
Total Available	6,896	6,691	5,255
Expenditures			
Transportation programs	81	1,417	1,335
Total Expenditures	81	1,417	1,335
Other Financing Uses			
Transfers to other funds	198	74	55
Total Other Financing Uses	198	74	55
Total Expenditures and Other Financing Uses	279	1,491	1,390
<b>Fund Balance June 30</b>	<b>6,617</b>	<b>5,200</b>	<b>3,865</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES CAPITAL PROJECTS FUNDS

### APPENDIX 1B (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c. 363)</b>			
Fund Balance July 1	65	65	40
Total Available	65	65	40
Expenditures			
Transportation programs	—	25	23
Total Expenditures	—	25	23
<b>Fund Balance June 30</b>	<b>65</b>	<b>40</b>	<b>17</b>
<b>Public Buildings Construction Fund (P.L. 1968, c. 128)</b>			
Fund Balance July 1	5	5	5
Total Available	5	5	5
<b>Fund Balance June 30</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Public Purpose Buildings Construction Fund (P.L. 1980, c. 119)</b>			
Fund Balance July 1	271	275	225
Revenues			
Services and assessments	4	—	—
Investments earnings	5	1	1
Total Revenues	9	1	1
Total Available	280	276	226
Expenditures			
Educational, cultural, and intellectual development	—	50	—
Total Expenditures	—	50	—
Other Financing Uses			
Transfers to other funds	5	1	1
Total Other Financing Uses	5	1	1
Total Expenditures and Other Financing Uses	5	51	1
<b>Fund Balance June 30</b>	<b>275</b>	<b>225</b>	<b>225</b>
<b>Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c. 184)</b>			
Fund Balance July 1	1,566	7,476	2,995
Revenues			
Investment earnings	186	74	42
Total Revenues	186	74	42
Other Financing Sources			
Proceeds from sale of bonds	8,000	—	5,000
Other	458	—	—
Total Other Financing Sources	8,458	—	5,000
Total Available	10,210	7,550	8,037
Expenditures			
Public safety and criminal justice	2,287	4,225	5,758
Educational, cultural and intellectual development	33	—	—
Economic planning, development and security	26	—	—
Government direction, management, and control	202	256	—
Total Expenditures	2,548	4,481	5,758
Other Financing Uses			
Transfers to other funds	186	74	42
Total Other Financing Uses	186	74	42
Total Expenditures and Other Financing Uses	2,734	4,555	5,800
<b>Fund Balance June 30</b>	<b>7,476</b>	<b>2,995</b>	<b>2,237</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
CAPITAL PROJECTS FUNDS

APPENDIX 1B  
(thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>State Facilities for Handicapped Fund (P.L. 1973, c. 149)</b>			
Fund Balance July 1 . . . . .	249	238	—
Revenues			
Investment earnings . . . . .	4	4	—
Total Revenues . . . . .	4	4	—
Total Available . . . . .	253	242	—
Expenditures			
Educational, cultural, and intellectual development . . . . .	15	242	—
Total Expenditures . . . . .	15	242	—
<b>Fund Balance June 30 . . . . .</b>	<b>238</b>	<b>—</b>	<b>—</b>
<b>Statewide Transportation and Local Bridge Fund of 1999 (P.L. 1999, c. 181)</b>			
Fund Balance July 1 . . . . .	(135,683)	60,587	40,343
Revenues			
Investment earnings . . . . .	1,642	440	300
Total Revenues . . . . .	1,642	440	300
Other Financing Sources			
Proceeds from sale of bonds . . . . .	259,000	41,000	—
Other . . . . .	14,812	—	—
Total Other Financing Sources . . . . .	273,812	41,000	—
Total Available . . . . .	139,771	102,027	40,643
Expenditures			
Transportation programs . . . . .	62,955	50,000	35,000
Government direction, management, and control . . . . .	6,867	8,284	—
Total Expenditures . . . . .	69,822	58,284	35,000
Other Financing Uses			
Transfers to other funds . . . . .	9,362	3,400	500
Total Other Financing Uses . . . . .	9,362	3,400	500
Total Expenditures and Other Financing Uses . . . . .	79,184	61,684	35,500
<b>Fund Balance June 30 . . . . .</b>	<b>60,587</b>	<b>40,343</b>	<b>5,143</b>
<b>Transportation Rehabilitation and Improvement Fund (P.L. 1979, c. 165)</b>			
Fund Balance July 1 . . . . .	568	568	568
Revenues			
Investment earnings . . . . .	6	4	4
Total Revenues . . . . .	6	4	4
Total Available . . . . .	574	572	572
Other Financing Uses			
Transfers to other funds . . . . .	6	4	4
Total Other Financing Uses . . . . .	6	4	4
<b>Fund Balance June 30 . . . . .</b>	<b>568</b>	<b>568</b>	<b>568</b>

# APPENDIX

## STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES PRIVATE PURPOSE TRUST FUNDS

### APPENDIX 1C (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Insurance Annuity Trust Fund</b>			
Fund Balance July 1	79	86	93
Revenues			
Investment earnings	1	1	1
Other	6	6	6
Total Revenues	7	7	7
Total Available	86	93	100
<b>Fund Balance June 30</b>	<b>86</b>	<b>93</b>	<b>100</b>
<b>Motor Vehicle Security Responsibility Fund (P.L. 1959, c.146)</b>			
Fund Balance July 1	—	—	—
Revenues			
Investment earnings	4	4	4
Total Revenues	4	4	4
Total Available	4	4	4
Other Financing Uses			
Transfers to other funds	4	4	4
Total Other Financing Uses	4	4	4
<b>Fund Balance June 30</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)</b>			
Fund Balance July 1	3,160	3,417	3,694
Revenues			
Investment earnings	121	90	75
Other	256	237	237
Total Revenues	377	327	312
Total Available	3,537	3,744	4,006
Expenditures			
Government direction, management, and control	120	50	50
Total Expenditures	120	50	50
<b>Fund Balance June 30</b>	<b>3,417</b>	<b>3,694</b>	<b>3,956</b>
<b>Unclaimed Insurance Payments on Deposits Account Fund</b>			
Fund Balance July 1	1,977	1,980	1,945
Revenues			
Investment earnings	35	22	20
Other	4	5	5
Total Revenues	39	27	25
Total Available	2,016	2,007	1,970
Expenditures			
Government direction, management, and control	1	40	40
Total Expenditures	1	40	40
Other Financing Uses			
Transfers to other funds	35	22	20
Total Other Financing Uses	35	22	20
Total Expenditures and Other Financing Uses	36	62	60
<b>Fund Balance June 30</b>	<b>1,980</b>	<b>1,945</b>	<b>1,910</b>

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES  
 PROPRIETARY FUNDS

APPENDIX 1D  
 (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>State Lottery Fund (N.J.S.A. 5:9-21)</b>			
Fund Balance July 1 .....	29,129	17,712	7,712
Revenues			
Investment earnings .....	2,053	1,800	1,800
Other .....	2,113,003	2,199,762	2,249,557
Total Revenues .....	2,115,056	2,201,562	2,251,357
Total Available .....	2,144,185	2,219,274	2,259,069
Expenditures			
Government direction, management, and control .....	1,338,975	1,400,071	1,434,866
Total Expenditures .....	1,338,975	1,400,071	1,434,866
Other Finance Uses			
Transfers to other funds .....	787,498	811,491	816,491
Total Other Financing Uses .....	787,498	811,491	816,491
Total Expenditures and Other Finance Uses .....	2,126,473	2,211,562	2,251,357
<b>Fund Balance June 30 .....</b>	<b>17,712</b>	<b>7,712</b>	<b>7,712</b>
<b>Unemployment Compensation Fund (N.J.S.A. 43:21-9a)</b>			
Fund Balance July 1 .....	2,940,258	2,135,720	1,428,420
Revenue			
Federal and other grants .....	754,144	320,100	20,000
Services and assessments .....	1,171,439	1,345,100	1,724,700
Investment earnings .....	140,190	90,200	52,600
Other .....	5,986	2,000	2,000
Total Revenues .....	2,071,759	1,757,400	1,799,300
Total Available .....	5,012,017	3,893,120	3,227,720
Expenditures			
Economic planning, development and security .....	2,876,297	2,464,700	2,095,600
Total Expenditures .....	2,876,297	2,464,700	2,095,600
<b>Fund Balance June 30 .....</b>	<b>2,135,720</b>	<b>1,428,420</b>	<b>1,132,120</b>



## APPENDIX

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### DESCRIPTION OF FUNDS

#### **Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)**

##### **Special Revenue Fund**

Annual deposits of \$11 million are made to this Fund from annual collections of the Alcohol Beverage Excise Tax. The monies collected shall be dedicated as follows: 75 percent to alcohol rehabilitation, 15 percent to enforcement, and 10 percent to education.

Additionally, fees of \$40 paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs, are deposited into this Fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of drunk driving.

#### **Atlantic City Parking Fees Fund (P.L. 1993, c.159)**

##### **Special Revenue Fund**

There is imposed by this law a \$2 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. These revenues are to be made available to the Casino Reinvestment Development Authority.

#### **Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)**

##### **Special Revenue Fund**

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the convention center operating authority. Amounts expended by the convention center operating authority are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

#### **Beaches and Harbor Fund (P.L. 1977, c.208)**

##### **Special Revenue Fund**

An amount of \$30 million was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

#### **Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)**

##### **Special Revenue Fund**

The purpose of this Fund is to finance life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

#### **Body Armor Replacement Fund (P.L. 1997, c.177)**

##### **Special Revenue Fund**

The Body Armor Replacement Fund is a repository fund for monies provided pursuant to subsection (d) of R.S. 39:5-41 and shall be used exclusively for the purchase of body vests for law enforcement officers and correction officers.

#### **Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)**

##### **Special Revenue Fund**

This Fund was established for the redevelopment and revitalization of the City of Trenton. The State has established a redevelopment corporation operating within the boundaries of the Trenton district, which will plan, coordinate, and promote the public and private development of that district in a manner which enhances the vitality of the Trenton area as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

#### **Casino Simulcasting Fund (P.L. 1992, c.19)**

##### **Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be used for services to benefit senior citizens.

**Casino Simulcasting Special Fund (P.L. 1992, c.19)****Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be disbursed to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

**Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)****Special Revenue Fund**

The purpose of this Fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

**Clean Communities Account Fund (P.L. 1985, c.533)****Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised portions of legislation affecting the Clean Communities Account Fund and the State Recycling Fund. Specifically, this legislation imposes a user fee on sales of litter-generating products to be credited to the Clean Communities Account Fund. Of the annual amount credited to the Fund, 25%, but not more than \$4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the Fund shall be used to provide grants to eligible municipalities for programs of litter pickup and removal; and shall also be used for a State program of litter pickup and removal and of enforcement of litter-related laws.

**Clean Waters Fund (P.L. 1976, c.92)****Special Revenue Fund**

An amount of \$120 million was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

**Correctional Facilities Construction Fund (P.L. 1982, c.120)****Capital Projects Fund**

An amount of \$170 million was authorized for construction of new medium security prisons, a program of county assistance, and renovations and modifications to existing State facilities.

**Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)****Capital Projects Fund**

An amount of \$198 million was authorized for State and county correctional facilities for planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment.

**Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)****Special Revenue Fund**

An amount of \$100 million was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair, or rehabilitation of historic structures in the State (\$25 million); and for the purpose of providing for grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

**1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)****Special Revenue Fund**

An amount of \$20 million was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

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### **1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)**

#### **Special Revenue Fund**

Bonds authorized in the amount of \$20 million are to be provided for the acquisition and development rights of land by the State for recreation and conservation purposes.

### **Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)**

#### **Special Revenue Fund**

An act authorized the creation of a debt of the State of New Jersey by the issuance of State bonds in the aggregate principal amount of \$160 million for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the Developmental Disabilities Waiting List.

### **Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)**

#### **Special Revenue Fund**

The Fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal and interest on the Market Transition Facility bonds.

### **Dredging and Containment Facility Fund (P.L. 1996, c.70)**

#### **Special Revenue Fund**

An amount of \$185 million was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million from bond proceeds was authorized for the purpose of dredging of navigation channels located in the port region.

### **Drinking Water State Revolving Fund (P.L. 1998, c.84)**

#### **Special Revenue Fund**

This Fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

### **1996 Economic Development Site Fund (P.L. 1996, c.70)**

#### **Special Revenue Fund**

An amount of \$20 million was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

### **Emergency Flood Control Fund (P.L. 1978, c.78)**

#### **Special Revenue Fund**

An amount of \$25 million was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

### **Emergency Medical Technician Training Fund (P.L. 1992, c.143)**

#### **Special Revenue Fund**

This Fund was established to annually reimburse any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

### **Emergency Services Fund (N.J.S.A. 52:14E-5)**

#### **Special Revenue Fund**

This Fund was established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

**Energy Conservation Fund (P.L. 1980, c.68)****Capital Projects Fund**

An amount of \$50 million was authorized, of which \$3 million is for energy audits and \$47 million is for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

**Enterprise Zone Assistance Fund (P.L. 1983, c.303)****Special Revenue Fund**

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment.

**1996 Environmental Cleanup Fund (P.L. 1996, c.70)****Special Revenue Fund**

An amount of \$70 million was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by a discharge.

**1989 Farmland Preservation Fund (P.L. 1989, c.183)****Special Revenue Fund**

An amount of \$50 million was authorized for the purpose of the preservation of farmland for agricultural use and production.

**1992 Farmland Preservation Fund (P.L. 1992, c.88)****Special Revenue Fund**

An amount of \$50 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of the preservation of farmland for agricultural use and production.

**1995 Farmland Preservation Fund (P.L. 1995, c.204)****Special Revenue Fund**

An amount of \$50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

**Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)****Special Revenue Fund**

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian lands of the State, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1 ½ percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

**Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)****Special Revenue Fund**

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

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### **Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)**

#### **Special Revenue Fund**

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

### **Garden State Preservation Trust (P.L. 1999, c.152)**

#### **Special Revenue Fund**

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. The constitutional amendment also granted the Garden State Preservation Trust with authorization to issue up to \$1 billion in bonds in order to help meet its legislative mandate. The Trust was placed within the Department of the Treasury but independent of its supervision or control.

### **Green Trust Fund (P.L. 1983, c.354)**

#### **Special Revenue Fund**

An amount of \$83 million was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

### **Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)**

#### **Special Revenue Fund**

An amount of \$100 million was authorized for the identification, cleanup, and removal of hazardous discharges.

### **Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)**

#### **Special Revenue Fund**

An amount of \$200 million was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

### **Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)**

#### **Special Revenue Fund**

This Fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

### **Health Care Subsidy Fund (P.L. 1992, c.160)**

#### **Special Revenue Fund**

This Fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

### **Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)**

#### **Special Revenue Fund**

The sum of \$45 million was appropriated from the Jobs, Education and Competitiveness Fund to the Higher Education Facility Renovation and Rehabilitation Fund to be used only for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities, and the New Jersey Institute of Technology.

**1992 Historic Preservation Fund (P.L. 1992, c.88)****Special Revenue Fund**

An amount of \$25 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the historic preservation project cost for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

**1995 Historic Preservation Fund (P.L. 1995, c.204)****Special Revenue Fund**

The purpose of this Fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

**Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)****Special Revenue Fund**

There was appropriated \$3 million to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

**Horse Racing Injury Compensation Fund (P.L. 1995, c.329)****Special Revenue Fund**

The purpose of this Fund is to provide workers' compensation coverage to employees in the thoroughbred and standard bred horse racing industries in New Jersey. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standard bred industries based on their respective experience rating.

**Housing Assistance Fund (P.L. 1968, c.127)****Special Revenue Fund**

An amount of \$12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

**Human Services Facilities Construction Fund (P.L. 1984, c.157)****Capital Projects Fund**

An amount of \$60 million was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

**Institutional Construction Fund (P.L. 1978, c.79)****Capital Projects Fund**

An amount of \$100 million was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds were used for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

**Institutions Construction Fund (P.L. 1976, c.93)****Capital Projects Fund**

An amount of \$80 million was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

## APPENDIX

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### **Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Private Purpose Trust Fund**

This Fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

### **Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)**

#### **Special Revenue Fund**

An amount of \$350 million was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

### **Jobs, Science and Technology Fund (P.L. 1984, c.99)**

#### **Special Revenue Fund**

An amount of \$90 million was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

### **Korean Veterans' Memorial Fund (P.L. 1996, c.72)**

#### **Special Revenue Fund**

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

### **1996 Lake Restoration Fund (P.L. 1996, c.70)**

#### **Special Revenue Fund**

An amount of \$5 million was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of nonpoint source or point source pollution.

### **Legal Services Fund (P.L. 1996, c.52)**

#### **Special Revenue Fund**

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers–Newark Law School, Rutgers–Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

### **Luxury Tax Fund (N.J.S.A. 40:48–8.30a(B), (P.L. 1991, c.375)**

#### **Special Revenue Fund**

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

### **Medical Education Facilities Fund (P.L. 1977, c.235)**

#### **Special Revenue Fund**

An amount of \$120 million was authorized to refinance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. The refinancing also provided substantial savings (\$25 million), which are available for the construction of other medical facilities.

**Mortgage Assistance Fund (P.L. 1976, c.94)****Special Revenue Fund**

An amount of \$25 million was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

**Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6–30.1)****Private Purpose Trust Fund**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

**Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15–112)****Special Revenue Fund**

Monies received from assessments levied against mutual insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual carrier is determined to be insolvent.

**Natural Resources Fund (P.L. 1980, c.70)****Special Revenue Fund**

An amount of \$145 million was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

**New Home Warranty Security Fund (N.J.S.A. 46:3B–7)****Special Revenue Fund**

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

**New Jersey Automobile Insurance Guaranty Fund (P.L. 1990, c.8)****Special Revenue Fund**

This Fund is utilized exclusively for the purpose of satisfying the financial obligations of the New Jersey Automobile Full Insurance Underwriting Association. Monies are collected from the following sources: tax imposed on premiums earned by the New Jersey Automobile Full Insurance Underwriting Association; surtax imposed on automobile insurance premiums; a percentage of the surcharges collected by the Division of Motor Vehicles; additional registration fees collected by the Division of Motor Vehicles; assessments against attorneys, auto body shops, medical examiners, chiropractors, and physical therapists; and loans from the New Jersey Property–Liability Insurance Guaranty Association.

P.L. 1994, c.57 amended P.L. 1990, c.8 to utilize any monies remaining after the New Jersey Automobile Full Underwriting Association debt has been satisfied to satisfy the current and anticipated liabilities and expenses of the Market Transition Facility.

Effective June 9, 2003, P.L. 2003, c.89 repealed section 23 of P.L. 1990, c.8. All balances in this fund created pursuant to section 23 of P.L. 1990, c.8 were transferred to the New Jersey Property–Liability Insurance Guaranty Association.

**New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund****Capital Projects Fund**

An amount of \$115 million has been authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.



## APPENDIX

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### **New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)**

#### **Capital Projects Fund**

An amount of \$135 million was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97.5 million was reserved for the cost of rehabilitation and improvement of bridges carrying State highways and \$37.5 million was reserved for the State share of the cost of rehabilitation and improvement of bridges carrying county and municipal roads.

### **1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)**

#### **Special Revenue Fund**

An amount of \$15 million has been authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

### **New Jersey Cultural Trust Fund (P.L. 2000, c.76)**

#### **Special Revenue Fund**

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the Fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

### **1983 New Jersey Green Acres Fund (P.L. 1983, c.354)**

#### **Special Revenue Fund**

An amount of \$135 million was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount, \$52 million is allocated for the acquisition and development of land by the State. An amount of \$83 million is to be transferred to the Green Trust Fund and is allocated for grants or loans to local government units for acquisition or development of land.

### **1989 New Jersey Green Acres Fund (P.L. 1989, c.183)**

#### **Special Revenue Fund**

An amount of \$90 million was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local government units to acquire and develop land for recreation and conservation purposes.

### **1992 New Jersey Green Acres Fund (P.L. 1992, c.88)**

#### **Special Revenue Fund**

An amount of \$80 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

### **1995 New Jersey Green Acres Fund (P.L. 1995, c.204)**

#### **Special Revenue Fund**

An amount of \$115 million was authorized from the 1995 Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

### **1989 New Jersey Green Trust Fund (P.L. 1989, c.183)**

#### **Special Revenue Fund**

An amount of \$140 million was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

**1992 New Jersey Green Trust Fund (P.L. 1992, c.88)****Special Revenue Fund**

An amount of \$120 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local government units to acquire and develop land for recreation and conservation.

**1995 New Jersey Green Trust Fund (P.L. 1995, c.204)****Special Revenue Fund**

An amount of \$135 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

**1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)****Special Revenue Fund**

An amount of \$15 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing monies to meet the inland blue acre cost of acquisition by the State, for recreation and conservation purposes, of lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

**New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)****Special Revenue Fund**

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. The sum of \$41.1 million will be appropriated from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from the member organizations.

**New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)****Special Revenue Fund**

An amount of \$45 million is allocated from the Community Development Bond Fund to capitalize the New Jersey Local Development Financing Fund. The Fund will provide financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

**New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)****Special Revenue Fund**

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

**New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)****Special Revenue Fund**

A \$1 surcharge on motor vehicle fines and penalties are to be credited to this Fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

**New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)****Special Revenue Fund**

This Fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

## APPENDIX

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### **Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)**

#### **Special Revenue Fund**

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the Federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the Fund for energy efficiency and conservation programs.

### **Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)**

#### **Special Revenue Fund**

An amount of \$30 million was authorized for the purpose of providing grants and loans to local units of government for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

### **Pollution Prevention Fund (P.L. 1991, c.235)**

#### **Special Revenue Fund**

The purpose of this Fund is the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The Fund shall be credited with fees imposed upon employers and collected by the Department of Labor.

### **Public Buildings Construction Fund (P.L. 1968, c.128)**

#### **Capital Projects Fund**

An amount of \$337.5 million was authorized for construction, reconstruction, development, extension, and equipping of public buildings for State institutions, higher education, including State and county colleges, vocational education, and for a statewide television and radio network.

### **Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**

#### **Capital Projects Fund**

An amount of \$125 million was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

### **Public Purpose Buildings Construction Fund (P.L. 1980, c.119)**

#### **Capital Projects Fund**

An amount of \$159 million was authorized for construction of public purpose buildings, including \$50 million for facilities for the mentally retarded, \$67 million for correctional facilities, \$7 million for a veterans' long-term care facility, \$3.5 million for facilities for children in need of supervision, and \$21.5 million for facilities for the mentally ill.

Proceeds in the amount of \$10 million from the sale of bonds was authorized to be segregated and held aside for guarantees providing that the monies shall be pledged as security for the obligation.

### **Real Estate Guaranty Fund (N.J.S.A. 45:15-34)**

#### **Special Revenue Fund**

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

### **Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)**

#### **Special Revenue Fund**

An amount of \$85 million was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

**Safe Drinking Water Fund (N.J.S.A. 58:12A–12)****Special Revenue Fund**

This Fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this Fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

**Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E–100)****Special Revenue Fund**

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The Fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

**Shore Protection Fund (P.L. 1983, c.356)****Special Revenue Fund**

An amount of \$50 million was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, \$40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million was allocated for State loans to counties and municipalities.

**Special Transportation Fund (N.J.S.A. 27:1B–21)****Capital Projects Fund**

This Fund was established in accordance with the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984. The Fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the Legislature for the purpose of the Transportation Trust Fund Authority Act.

**State Disability Benefit Fund (N.J.S.A. 43:21–46a)****Special Revenue Fund**

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

**State Facilities for Handicapped Fund (P.L. 1973, c.149)****Capital Projects Fund**

An amount of \$25 million was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

**State Land Acquisition and Development Fund (P.L. 1978, c.118)****Special Revenue Fund**

An amount of \$200 million was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

**State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)****Special Revenue Fund**

An amount of \$200 million was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

## APPENDIX

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### **State Recycling Fund (N.J.S.A. 12:1E-92)**

#### **Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised prior portions of legislation affecting this Fund. Specifically, this legislation requires that 25% of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this Fund, to provide recycling grants to municipalities and counties for local recycling programs.

### **1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)**

#### **Capital Projects Fund**

An amount of \$500 million was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

### **Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)**

#### **Special Revenue Fund**

Monies received from assessments levied against stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a stock carrier is determined to be insolvent.

### **Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)**

#### **Special Revenue Fund**

An amount of \$50 million was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

### **Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)**

#### **Special Revenue Fund**

Beginning July 1, 2001, each employer shall contribute an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (5) of subsection (c) of R.S.43:21-7. Beginning January 1, 2002, each worker shall contribute 0.0175 percent of the worker's wages as determined in paragraph (3) of subsection (b) of R.S. 43:21-7. The monies in this Fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers.

### **Tobacco Settlement Fund**

#### **Special Revenue Fund**

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this Fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During fiscal year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

### **Transportation Rehabilitation and Improvement Fund (P.L. 1979, c.165)**

#### **Capital Projects Fund**

An amount of \$475 million was authorized to provide an improved transportation system for the State. Of this amount, \$150 million was reserved for the improvement of public transportation facilities, \$80 million was reserved for the improvement of county and municipal roads, and \$245 million was reserved for the improvement of State highways.

### **Unclaimed Child Support Trust Fund (P.L. 1995, c.115)**

#### **Special Revenue Fund**

All monies received, as abandoned child support shall be deposited into this Fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

**Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)****Private Purpose Trust Fund**

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

**Unclaimed Insurance Payments on Deposit Accounts Fund****Private Purpose Trust Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation (FDIC).

**Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)****Special Revenue Fund**

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this Fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey State-wide Heating Assistance and Referral for Energy Services (SHARES) non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

**Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)****Special Revenue Fund**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

**Unemployment Compensation Fund (N.J.S.A. 43:21-9a)****Proprietary Fund**

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes, which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

## APPENDIX

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### **University of Medicine and Dentistry of New Jersey – Self-Insurance Reserve Fund**

#### **Special Revenue Fund**

This Fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

### **Unsatisfied Claim and Judgment Fund (N.J.S.A. 39:6-61)**

#### **Special Revenue Fund**

Receipts from insurance companies, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this Fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits, which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

P.L. 2003, c.89 was approved June 9, 2003. This law abolishes the Unsatisfied Claim and Judgment Fund and transfers all balances to the New Jersey Property-Liability Insurance Guaranty Association.

### **Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)**

#### **Special Revenue Fund**

An amount of \$20 million was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

### **Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)**

#### **Special Revenue Fund**

This Fund receives monies from donations and income tax checkoffs to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

### **Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)**

#### **Special Revenue Fund**

The purpose of this Fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

### **Wastewater Treatment Fund (P.L. 1985, c.329)**

#### **Special Revenue Fund**

An amount of \$190 million was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$150 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

### **1992 Wastewater Treatment Fund (P.L. 1992, c.88)**

#### **Special Revenue Fund**

An amount of \$45 million was authorized for the purpose of making zero interest loans to local government units for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

**Water Conservation Fund (P.L. 1969, c.127)****Special Revenue Fund**

An amount of \$271 million was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

**Water Supply Fund (P.L. 1981, c.261)****Special Revenue Fund**

An amount of \$350 million was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

**Water Supply Replacement Trust Fund (P.L. 1988, c.106)****Special Revenue Fund**

This Fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

**Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)****Special Revenue Fund**

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the Fund are allocated for expenses incurred in connection with the Act's provisions by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor, and the Department of the Treasury.



# APPENDIX

## STATE LOTTERY FUND SCHEDULE (thousands of dollars)

The estimated revenue available from the State Lottery Fund for education and institutions in fiscal year 2004–2005 is \$795.0 million. These funds will be applied to support a portion of the programs listed in the schedule below.

### DIRECT STATE SERVICES

<i>Department of Education</i>	
Statewide Assessment Program .....	16,225
Marie H. Katzenbach School for the Deaf .....	2,899
<i>Department of Human Services</i>	
Operation of State Psychiatric Hospitals .....	243,820
Operation of Centers for the Developmentally Disabled .....	210,757
<i>Department of Military and Veterans' Affairs</i>	
Operation of Homes for Disabled Soldiers .....	29,348
Subtotal, Direct State Services .....	<u>503,049</u>

### GRANTS-IN-AID

<i>Department of Education</i>	
Governor's School .....	1,654
<i>Higher Educational Services</i>	
Senior Public Institutions—Operating Aid .....	814,275
Tuition Aid Grants .....	197,974
Higher Education Capital Improvement Program .....	26,855
Aid to Independent Colleges and Universities .....	23,262
Opportunity Program Grants .....	21,910
Higher Education Facilities Trust Fund .....	21,015
Outstanding Scholar Recruitment Program .....	13,169
Supplementary Education Program Grants .....	12,385
Coordinated Garden State Scholarship Programs .....	7,562
Veterinary Medicine Education .....	1,337
Higher Education for Special Needs Students .....	1,100
Subtotal, Grants-in-Aid .....	<u>1,142,498</u>

### STATE AID

<i>Department of Agriculture</i>	
School Nutrition .....	9,918
<i>Department of Education</i>	
Nonpublic School Aid .....	97,202
School Construction and Renovation .....	62,000
<i>Higher Educational Services</i>	
Aid to County Colleges for Operational Costs .....	154,562
Subtotal, State Aid .....	<u>323,682</u>
Grand Total .....	<u>1,969,229</u>

**TRANSPORTATION TRUST FUND**  
(thousands of dollars)

The New Jersey Transportation Trust Fund Authority (P.L. 1984, c. 73 as amended) funds the development and preservation of the State's transportation infrastructure. The Authority funds State highway and bridge projects, and public transportation projects outlined in the Department of Transportation's annual capital plan. Funds appropriated to the Authority are composed of motor fuels taxes, petroleum products gross receipts taxes, and sales and use taxes. The Authority may also issue bonds to supplement State appropriations.

	Fiscal 2003 Expended	2004 Adjusted Approp.	Year Ending June 30, 2005 Requested	Recommended
<b><i>Transportation Trust Fund</i></b>				
Subtotal, State Transportation Funding Authorization . . . . .	1,084,658	1,228,200	1,205,000	1,205,000
Subtotal, Federal Highway and Third-Party Funding Authorization	<u>1,125,344</u>	<u>1,162,383</u>	<u>1,195,000</u>	<u>1,195,000</u>
<b>Total Program Authorization, Transportation Trust Fund . . . . .</b>	<b>2,210,002</b>	<b>2,390,583 <sup>(a)</sup></b>	<b>2,400,000</b>	<b>2,400,000 <sup>(b)</sup></b>
<b><i>Distribution of State Transportation Funds by Project Type</i></b>				
State Highway Projects . . . . .	397,242	460,000	546,000	546,000
Local Aid Highway Projects . . . . .	158,749	150,000	150,000	150,000
Public Transportation Projects . . . . .	<u>528,667</u>	<u>618,200</u>	<u>509,000</u>	<u>509,000</u>
<b>Subtotal, State Transportation Funds . . . . .</b>	<b>1,084,658</b>	<b>1,228,200</b>	<b>1,205,000</b>	<b>1,205,000</b>
<b><i>Distribution of State Transportation Funds by Phase of Work</i></b>				
Construction . . . . .	978,131	1,107,591	1,086,668	1,086,668
Design and Engineering . . . . .	24,082	27,266	26,751	26,751
Right-of-Way Acquisition . . . . .	58,253	65,954	64,709	64,709
Study and Development . . . . .	18,116	20,511	20,124	20,124
Planning . . . . .	<u>6,076</u>	<u>6,878</u>	<u>6,748</u>	<u>6,748</u>
<b>Total, State Transportation Funds . . . . .</b>	<b>1,084,658</b>	<b>1,228,200</b>	<b>1,205,000</b>	<b>1,205,000</b>
<b><i>Distribution of Federal Highway and Third-Party Funds by Project Type</i></b>				
State Highway Projects . . . . .	661,860	622,863	670,500	670,500
Local Aid Highway Projects . . . . .	19,244	24,500	34,500	34,500
Public Transportation Projects . . . . .	<u>444,240</u>	<u>515,020</u>	<u>490,000</u>	<u>490,000</u>
<b>Subtotal, Federal Highway and Third-Party Funds . . . . .</b>	<b>1,125,344</b>	<b>1,162,383</b>	<b>1,195,000</b>	<b>1,195,000</b>
<b><i>Distribution of Federal Highway Funds and Third-Party Funds by Phase of Work</i></b>				
Construction . . . . .	903,876	933,646	959,823	959,823
Design and Engineering . . . . .	72,135	74,502	76,600	76,600
Right-of-Way Acquisition . . . . .	86,989	89,844	92,374	92,374
Study and Development . . . . .	<u>62,344</u>	<u>64,391</u>	<u>66,203</u>	<u>66,203</u>
<b>Total, Federal Highway and Third-Party Funds . . . . .</b>	<b>1,125,344</b>	<b>1,162,383</b>	<b>1,195,000</b>	<b>1,195,000</b>
<b>Total, State Transportation Funds . . . . .</b>	<b>1,084,658</b>	<b>1,228,200</b>	<b>1,205,000</b>	<b>1,205,000</b>
<b>Total, Federal Highway and Third-Party Funds . . . . .</b>	<b><u>1,125,344</u></b>	<b><u>1,162,383</u></b>	<b><u>1,195,000</u></b>	<b><u>1,195,000</u></b>
<b>Total Program Authorization . . . . .</b>	<b>2,210,344</b>	<b>2,390,583</b>	<b>2,400,000</b>	<b>2,400,000</b>

(a) Fiscal 2004 adjusted appropriation is derived from the fiscal 2004 Transportation Capital Construction Program.

(b) The specific projects represented by these amounts will be available in the fiscal 2005 Transportation Capital Construction Program due to be issued in March, 2004.

# APPENDIX

**STATE OF NEW JERSEY  
STATEMENT OF GENERAL LONG-TERM DEBT  
JUNE 30, 2003  
(thousands of dollars)**

	ACT OF	AUTHORIZED (a)	UNISSUED	RETIRED (b)	OUTSTANDING
State Transportation Bonds .....	1968	640,000	0	639,000	1,000
Water Conservation Bonds .....	1969	271,000	0	264,484	6,516
State Recreation and Conservation Land Acquisition and Development Bonds .....	1974	200,000	0	195,247	4,753
Clean Waters Bonds .....	1976	120,000	5,000	111,279	3,721
Institutions Construction Bonds .....	1976	80,000	0	76,900	3,100
State Mortgage Assistance Bonds .....	1976	25,000	0	24,000	1,000
Medical Education Facilities Bonds .....	1977	120,000	0	120,000	0
Beaches and Harbors Bonds .....	1977	30,000	0	28,900	1,100
Emergency Flood Control Bonds .....	1978	25,000	0	24,550	450
Institutional Construction Bonds .....	1978	100,000	0	98,200	1,800
State Land Acquisition and Development Bonds .....	1978	200,000	1,500	190,273	8,227
Transportation Rehabilitation and Improvement Bonds .....	1979	475,000	0	459,740	15,260
New Jersey Public Purpose Buildings Construction Bonds ...	1980	159,000	0	159,000	0
Natural Resources Bonds .....	1980	145,000	17,100	96,188	31,712
Energy Conservation Bonds .....	1980	50,000	2,100	46,375	1,525
Water Supply Bonds .....	1981	350,000	93,400	256,600	0
Hazardous Discharge Bonds .....	1981	100,000	43,000	51,537	5,463
Community Development Bonds .....	1982	85,000	0	80,301	4,699
New Jersey Green Acres Bonds .....	1983	135,000	14,500	119,715	785
Shore Protection Bonds .....	1983	50,000	0	49,580	420
Jobs, Science and Technology Bonds .....	1984	90,000	0	90,000	0
New Jersey Human Services Facilities Construction Bonds ...	1984	60,000	0	58,121	1,879
Refunding Bonds .....	1985	4,306,800	0	2,084,986	2,221,814
Pinelands Infrastructure Trust Bonds .....	1985	30,000	8,000	22,000	0
Wastewater Treatment Bonds .....	1985	190,000	0	190,000	0
Resource Recovery and Solid Waste Disposal Facility Bonds	1985	85,000	0	68,150	16,850
Hazardous Discharge Bonds .....	1986	200,000	88,000	66,210	45,790
Correctional Facilities Construction Bonds .....	1987	198,000	0	198,000	0
Green Acres, Cultural Center and Historic Preservation Bonds	1987	100,000	9,000	84,545	6,455
Jobs, Education & Competitiveness Bonds .....	1988	350,000	0	296,632	53,368
New Jersey Open Space Preservation Bonds .....	1989	300,000	29,000	208,522	62,478
Public Purpose Buildings and Community-Based Facilities Construction Bonds .....	1989	125,000	5,000	99,370	20,630
Stormwater Management and Combined Sewer Overflow Abatement Bonds .....	1989	50,000	21,500	18,470	10,030
New Jersey Bridge Rehabilitation and Improvement, and Railroad Right-of-way Preservation Bonds .....	1989	115,000	0	82,356	32,644
Green Acres, Clean Water, Farmland & Historic Preservation Bonds .....	1992	345,000	54,780	159,931	130,289
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction Bonds .....	1994	160,000	19,000	66,289	74,711
Green Acres, Farmland and Historic Preservation, and Blue Acres Bonds .....	1995	340,000	62,500	133,255	144,245
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bonds .....	1996	300,000	243,000	29,565	27,435
Urban and Rural Centers Unsafe Building Demolition Bonds	1997	20,000	0	0	20,000
Statewide Transportation and Local Bridge Bonds .....	1999	500,000	41,000	124,975	334,025
<b>Total Long-Term Debt: .....</b>		<b>11,224,800</b>	<b>757,380</b>	<b>7,173,246</b>	<b>3,294,174</b>

(a) An additional \$1,000,000 Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

(b) Retired includes bonds for which provisions for payment have been made through the sale and issuance of refunding bonds.

The State Appropriations Limitation Act (P.L. 1990, c.94), commonly called the CAP law, limits the growth of appropriations in the Direct State Services section of the Budget, which encompasses the operations of State government. Exempt from the limitation are Grants-in-Aid; State Aid to counties, municipalities, local school districts, and other instrumentalities; federal funds appropriations; Capital Construction and Debt Service; and monies deposited in and expended from the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund, and the Gubernatorial Elections Fund.

The calculation results in a maximum increase of \$195.6 million over the fiscal 2004 Adjusted Appropriation, or a maximum appropriation of \$5.470 billion for Direct State Services for fiscal 2005. The Governor's recommendation for fiscal 2005, for items under the CAP, is \$5.612 billion, or \$7.2 million under the CAP limit. Data used to compute the appropriation limit are presented in the accompanying tables.

The average per capita personal income for the State and the average percentage change for the last four fiscal years are displayed below.

**STATE INCOME<sup>(a)</sup>**

(\$ in millions)

Fiscal 2000	301,599
Fiscal 2001	325,240
Fiscal 2002	334,199
Fiscal 2003	334,372

<sup>(a)</sup> See Notes at the end of this subsection.  
Source: U.S. Department of Commerce,  
Bureau of Economic Analysis

**STATE AVERAGE PER CAPITA**

	<b>Personal Income<sup>(c)</sup></b>	<b>Percentage Change</b>
Fiscal 2000	35,763	
Fiscal 2001	38,245	6.58%
Fiscal 2002	38,972	1.90%
Fiscal 2003	39,865	2.29%

<sup>(c)</sup> See Notes at the end of this subsection.  
Source: U.S. Bureau of the Census data.  
(State Pop. Estimates, April 1, 2002– July 1, 2003)

**STATE POPULATION<sup>(b)</sup>**

Fiscal 2000	8,433,276
Fiscal 2001	8,504,114
Fiscal 2002	8,575,252
Fiscal 2003	8,638,396

<sup>(b)</sup> See Notes at the end of this subsection.  
Source: U.S. Bureau of the Census data.  
(State Pop. Estimates, April 1, 2002– July 1, 2003)

The law provides that the CAP may be exceeded upon passage of a bill making an appropriation approved by a two-thirds vote of all members of each legislative body.

Under the formula in the law, the maximum appropriation for fiscal 2005 is computed by multiplying the base year appropriation (fiscal 2004) subject to the percentage limitation by the average three-year growth rate in per capita personal income calculated on a fiscal basis. The fiscal 2005 CAP is calculated using 3.71%.

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## Computation of 2005 Cap Subject to Expenditure Limitation Law Percentage (\$ In Thousands)

Appropriation and Adjustments for Fiscal 2004	24,542,334
Less Statutory Exemptions:	
Grants-In-Aid	(6,241,139)
State Aid	(3,740,663)
Capital Construction	(1,136,428)
Debt Service	(442,481)
Property Tax Relief Fund	(7,156,770)
Casino Control Fund	(63,700)
Casino Revenue Fund	(447,200)
Gubernatorial Elections Fund	
Less: Funding for Division of Youth and Family Services Reform Efforts In Accordance With A Court Settlement	(15,000)
Less: Funding for Corrections Mental Health Treatment Appropriated In Accordance With A Court Settlement	(24,478)
Amount Subject to Limitation	5,274,475
Fiscal 2004 Base Subject to Percentage Limitation	5,274,475
Per Capita Personal Income Rate	3.71%
Maximum Increase in Appropriation for Fiscal 2005	195,683
Maximum Appropriation for Fiscal 2005	5,470,158
Fiscal 2005 Recommendation	5,612,357
Less: Funding for Division of Youth and Family Services Reform Efforts In Accordance With A Court Settlement	(125,000)
Less: Funding for Corrections Mental Health Treatment Appropriated In Accordance With A Court Settlement	(24,478)
Amount of Fiscal 2005 Appropriation Subject to the CAP Limitation	<u>5,462,879</u>
Amount Over/(Under) the CAP Limitation	(7,279)

## CASINO REVENUE FUND SCHEDULE

(thousands of dollars)

The estimated revenue from the Casino Revenue Fund in Fiscal Year 2005 is \$478,880,000. These funds will be applied to support a portion of the programs listed below that originated in the Casino Revenue Fund or were created to be included within the Fund.

<b>SENIOR CITIZEN PROPERTY TAX FREEZE</b> .....	48,000
 <b>MEDICAL ASSISTANCE</b>	
Personal Assistance Services .....	3,734
Personal Care .....	141,122
Home Care Expansion .....	235
Pharmaceutical Assistance to the Aged & Disabled .....	364,368
Traumatic Brain Injury .....	16,502
Community Care/Sixth Omnibus Budget Reconciliation Act .....	172,826
Respite Care .....	5,359
Hearing Aid Assistance .....	200
Statewide Birth Defects Registry .....	500
Health and Senior Services Administration .....	871
 <b>TRANSPORTATION ASSISTANCE</b>	
Senior Citizens and Disabled Residents .....	25,287
Sheltered Workshop Transportation .....	2,440
 <b>HOUSING PROGRAMS</b>	
Safe Housing and Transportation .....	1,668
Developmental Disabilities .....	38,409
Congregate Housing Support Services .....	1,938
 <b>OTHER</b> .....	<u>5,397</u>
 <b>GRAND TOTAL</b> .....	<u><u>828,856</u></u>

## CASINO REVENUE FUND

The Casino Revenue Fund (CRF) was established in 1976 with the provision that State revenues derived from casino gambling would be applied solely for the purpose of “providing funding for reductions in property taxes, rental, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State in accordance with such formulae as the Legislature shall by law provide.” The Fund’s authorized use was expanded in 1981 to include additional or expanded health services or benefits, transportation services, or benefits to eligible senior and disabled residents.

Total CRF resources of \$478.9 million, including \$700,000 from the Casino Simulcasting Fund, are projected for fiscal 2005. Total CRF resources now include \$94 million from five taxes implemented in FY04. These taxes are: an increase in the casino parking fee from \$2 to \$3, a \$3 per room per day fee on casino hotel rooms, a 4.25% tax on casino comps, a 7.5% tax on the casinos’ adjusted net income, and an 8% tax on multi-casino progressive slot machine revenue.

Total available CRF resources in FY05 are forecast to exceed the FY04 appropriated amount by \$30.2 million. These additional resources are being used to increase CRF funding of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program. This program was once entirely funded with casino revenues, but due to the rapid increase in the cost of

prescription drugs now requires a substantial subsidy from the General Fund.

The summary and projection table at the end of this section illustrates CRF revenues and the programs receiving Fund appropriations over the past several years. Some CRF appropriations have been shifted to the General Fund and other funds over the past several fiscal years (see the General Fund Subsidy section of the table).

## BUDGET INITIATIVES AND ONGOING PROGRAMS

The following programs are currently receiving significant funding through the Casino Revenue Fund:

- Pharmaceutical Assistance to the Aged and Disabled (PAAD)— \$288.2 million
- Transportation Assistance— \$25.3 million
- Residential Care Developmental Disabilities— \$38.4 million
- Personal Assistance Services Program— \$3.7 million
- Community Care Alternatives— \$28 million
- Sheltered Workshop Transportation— \$2.4 million
- Waiver Initiatives---\$16.6
- Home Care Expansion Program— \$200,000
- Personal Care---\$60.1

**CASINO REVENUE FUND SUMMARY AND PROJECTION**  
(\$ In Millions)

	<b>Fiscal 1998</b>	<b>Fiscal 1999</b>	<b>Fiscal 2000</b>	<b>Fiscal 2001</b>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Fiscal 2004</b>	<b>Rec. 2005</b>
Opening surplus	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenues	325.5	325.0	335.7	347.0	350.0	346.0	448.0	478.0
Lapses and adjustments	0.0	3.2	1.8	0.0	14.2	18.8	0.7	0.9
<b>TOTAL RESOURCES</b>	<b>\$325.5</b>	<b>\$328.2</b>	<b>\$337.5</b>	<b>\$347.0</b>	<b>\$364.2</b>	<b>\$364.8</b>	<b>\$448.7</b>	<b>\$478.9</b>
<b>PROPERTY TAX DEDUCTION</b>	\$17.2	\$17.2	\$17.2	\$17.2	\$0.0 <sup>(c)</sup>	\$0.0	\$0.0	\$0.0
<b>MEDICAL ASSISTANCE</b>								
Personal assistance	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Home care expansion	0.0	1.0	0.7	0.5	0.4	0.3	0.2	0.2
PAAD -- expanded	166.1	193.6	218.8 <sup>(a)</sup>	229.9 <sup>(b)</sup>	257.9	259.9	255.2	288.2
Community care and Waivers	0.8	14.2	3.3	1.6	3.0	3.3	45.7	44.6
Respite care	2.8	4.8	4.8	4.8	5.2	5.4	5.4	5.4
Hearing aid assistance	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.2
Statewide birth defects registry	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Health and Senior Services Admin.	0.6	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Personal Care	0	0	0	0	0	0	60.1	60.1
<b>LIFELINE CREDITS</b>	76.3	34.6	34.6	32.7	34.7	34.6	0.0 <sup>(d)</sup>	0.0
<b>TRANSPORTATION ASSISTANCE</b>								
Senior citizens and disabled residents	22.2	22.5	22.8	25.7	24.8	24.9	25.5	25.3
Sheltered workshop transportation	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
<b>HOUSING PROGRAMS</b>								
Congregate housing support	1.9	1.9	1.9	0.5	3.3	1.9	1.9	1.9
Safe housing and transportation	2.0	1.6	1.6	1.6	1.7	1.7	1.7	1.7
Developmental Disabilities	24.5	24.5	19.6	19.6	19.6	19.6	38.4	38.4
<b>OTHER</b>	4.2	4.5	4.4	5.2	5.9	5.4	5.4	5.4
<b>TOTAL APPROPRIATIONS</b>	<b>\$325.5</b>	<b>\$328.2</b>	<b>\$337.5</b>	<b>\$347.0</b>	<b>\$364.2</b>	<b>\$364.8</b>	<b>\$447.2</b>	<b>\$478.9</b>
<b>ENDING SURPLUS</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1.5</b>	<b>\$0.0</b>
<b>GENERAL FUND SUBSIDY</b>								
Lifeline	\$0.0	\$36.2	\$36.2	\$36.2	\$36.2	\$11.2	\$0.0 <sup>(d)</sup>	\$0.0
SOBRA for Aged and Disabled	109.6	114.0	118.6	123.8	128.8	133.9	139.3	144.8
Community Care and Waivers	23.3	30.1	38.8	41.2	41.2	45.9	0.0	0.0
Personal Care	76.4	88.8	103.1	96.7	116.2	130.2	72.4	81.0
Senior Citizens Property Tax Freeze	0.0	0.0	23.7	10.6	10.6	23.0	23.0	48.0
PAAD -- expanded	0.0	0.0	20.0 <sup>(a)</sup>	49.5	92.9 <sup>(e)</sup>	123.9	166.0	76.3
<b>VALUE OF PROGRAMS SHIFTED</b>	<b>\$209.3</b>	<b>\$269.1</b>	<b>\$340.4</b>	<b>\$358.0</b>	<b>\$425.9</b>	<b>\$468.1</b>	<b>\$400.7</b>	<b>\$350.1</b>

**Notes:**

(a) Includes \$5.1 million of the Supplemental Appropriation of \$25.1 million; the remaining \$20 million of this amount has been shifted to the General Fund and charged to the Tobacco Settlement Trust Fund.

(b) In addition to this amount, \$49.5 million shifted to the General Fund and charged to the Tobacco Settlement Trust Fund.

(c) The Property Tax Deduction appropriation has been shifted to the Property Tax Relief Fund.

(d) Beginning in fiscal 2004, the Lifeline program will be funded through the Board of Public Utilities.

(e) Includes Supplemental Appropriation of \$25 million, \$21.3 of which was unexpended and carried forward to be a resource in fiscal 2003.



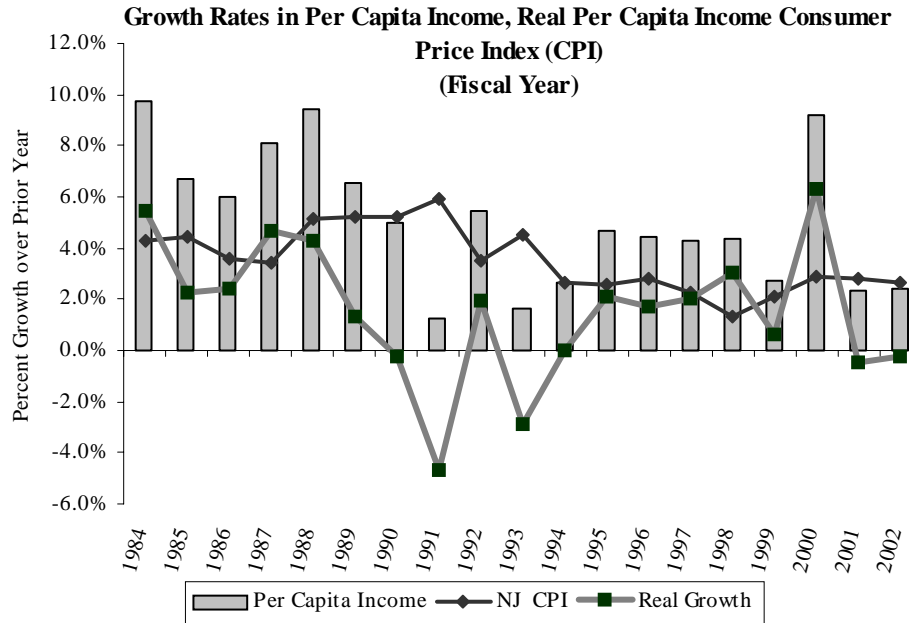
# APPENDIX

## Population and Personal Income

The total population of New Jersey is 8.6 million, based on the latest update of the U.S. Bureau of the Census in July 2003.

New Jersey's per capita income has failed to experience real growth, i.e., annual growth in excess of consumer price index (CPI) growth, for the second year in a row (see figure below).

New Jersey has the highest rank for per capita personal income of the mid-Atlantic states (see table below). And in 2002 was the state with the second highest per cap income nationwide.



**PER CAPITA PERSONAL INCOME FOR  
THE UNITED STATES, NEW JERSEY, AND MIDDLE ATLANTIC STATES  
(2001 Calendar Year)**

	Amount	Percent of National Average	National Ranking
United States	\$30,832	---	---
New Jersey	\$39,567	128	2
New York	\$35,708	116	6
Maryland	\$36,121	117	5
Delaware	\$32,307	105	16
Pennsylvania	\$31,663	103	18

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

WORKFORCE

Recommended State funding for Executive Branch employees in FY2005 provides for an increase of 1,768 full-time employees compared to the actual number of employees on February 6, 2004 primarily for Child Welfare Reform, additional State Troopers, nurses and other support for State Veterans' Homes, Corrections Officers, and additional staff to address water quality and shore protection. Fully 75% of the new employees (over 1,300 employees) are attributable to meeting the Child Welfare Reform goals set forth by the Department of Human Services.

In the most comprehensive far-reaching vision ever for children's services, the FY2005 Budget provides funding for 1,100 DYFS positions as part of the State's settlement of a class action civil rights lawsuit. In addition to providing front-line child protection and permanency workers to improve casework ratios, the Child Welfare Reform Plan calls for:

- Investigators trained in forensics will respond to all allegations of abuse or neglect within 24 hours;
- Hiring resource family workers, a new group of workers who will work out of district offices and be responsible for recruitment, training support, home studies and providing ongoing support;
- Centralizing intake and separating investigative function from the casework function;
- Staffing a dozen Community Collaboratives with specialized community developers that will steer the provision of local, community programs for at-risk families and children;
- Providing each district office with Adolescent Workers, with particular affinity and training for dealing with adolescents, to work with every child 13 years of age or older; and
- Establishing a training academy to develop a culture of quality improvement at all levels of case management.

In addition to the staff provided directly to DYFS, over 200 positions will be added to the Departments of Law and Public Safety and the Public Defender to meet their increased responsibilities under the Child Welfare Reform Plan.

Combined State and non-State employee growth for the Department of Law and Public Safety (excluding Juvenile Justice, Election Law, etc.) is 357 comparing February 6, 2004 employee counts and FY2005 funded levels. This increase includes the following:

- 163 additional State Troopers, net of attrition;
- 93 State funded positions for Child Welfare Reform (included in the 200 mentioned above);
- 58 employee growth at Consumer Affairs from dedicated sources to increase securities enforcement and other priority areas;

- New positions funded from dedicated sources to implement legislation that greatly expands DNA testing for law enforcement purposes; and
- Other increases include federal and dedicated funding for Homeland Security, the Commercial Vehicle Enforcement Program, the Medical Examiner and the Racing Commission.

There is also significant State funded employee growth at the Department of Military and Veterans' Affairs. Recommended FY2005 funding and proposed supplemental funding in FY2004 will increase staff by 177 compared to February 6, 2004 primarily to staff the Old Glory Wing at the Menlo Park Veterans' Home and to staff the opening of the new Vineland Veterans' Home.

State funded growth of 82 in the Department of Environmental Protection is attributable to many factors, including: additional shore protection and site remediation staff to expedite capital projects supported by dedicated fund sources (29), new staff for the enhanced stormwater regulation program and smart growth permitting (22), new staff supported by the Corporate Business Tax dedication for watershed management and a new Underground Storage Tank Inspection program (14), and additional staff to be paid by natural resource damage recoveries and an increase in water allocation fees (11).

State funded growth of 81 in the Department of Corrections is due primarily to the hiring of additional correction officers that will generate a savings in overtime costs while growth of 75 at the State Parole Board reflects staffing needed to more intensely monitor sex offender parolees and to supervise increased numbers of parolees in alternative programs.

State funded growth of 53 positions in the Department of Treasury is due primarily to the conversion of intermittent part-time employees to full-time status, in accord with union negotiations.

Growth in non-State funded positions of 1,528 employees statewide is attributable to increased availability of federal and dedicated fund sources which will be utilized to increase hours and services at Motor Vehicle agencies, enhance healthcare initiatives, provide for additional troopers and other law enforcement initiatives previously discussed, and improve housing services provided by the Department of Community Affairs. Non-State full-time employee growth in the Department of Human Services is largely the result of employees being shifted from the General Fund to federal funds.

At Motor Vehicle Services (which is off budget), 260 employees will be added to expand service to Saturdays, to create enhanced business accessibility with online services, to

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increase customer satisfaction by providing intensive customer service training to staff and to improve security by implementing new digitized driver licenses.

Non-State full-time employee growth of 166 at the Department of Health and Senior Services is due primarily to increases in federal funding from a variety of sources. Examples include increased staff for Medical Day Care, Emergency Preparedness, Immunization, Tuberculosis and West Nile Virus. Also, increased staffing supported by dedicated sources will provide additional inspectors in the Health Facilities Licensing and Inspections Program.

Non-State funded full-time employee increases in the Department of Community Affairs will be supported by fees, federal funds and other sources. Examples include:

- Increased staffing supported by federal funds for the Section 8 Federal Housing Program (28), and for Community Resources Technical Assistance (10); Increased staffing of fee supported programs in the areas of Housing Code Enforcement (5), Uniform Construction Code (15) and Housing Services (18).

**STATE FUNDED WORKFORCE**  
**2/6/04 vs. FY 2005 FUNDED POSITIONS COMPARISON**

	STATE	
	EMPLOYEES	FY 2005
	2/6/04	FUNDED
		POSITIONS
AGRICULTURE	146	147
BANKING AND INSURANCE	2	2
CHIEF EXECUTIVE OFFICE	110	110
COMMUNITY AFFAIRS	179	195
CORRECTIONS (Balance)	8,884	8,965
- Parole Board	660	735
EDUCATION	432	464
ENVIRONMENTAL PROTECTION	2,312	2,394
HEALTH AND SENIOR SERVICES	851	910
HUMAN SERVICES (Total)	14,390	15,303
- Management and Budget	307	286
- Medical Assistance	173	148
- Disability Services	15	19
- Family Development	224	219
- Commission for the Blind and Visually Impaired	166	162
- Youth and Family Services	3,336	4,447
- Deaf and Hard of Hearing	6	9
- Developmental Disabilities	5,155	5,027
- Mental Health and Hospitals	5,008	4,986
LABOR (Balance)	226	238
- Public Employee Relations Commission	34	39
LAW & PUBLIC SAFETY (Balance)	4,758	4,760
- Child Welfare Reform	0	93
- Election Law Enforcement Commission	45	54
- Violent Crimes Compensation Board	47	48
- Executive Commission on Ethical Standards	8	10
- Juvenile Justice	1,239	1,243
MILITARY AND VETERANS' AFFAIRS	1,281	1,458
PERSONNEL	367	394
STATE (Balance)	124	144
- Commission on Higher Education	17	18
- New Jersey Network	111	112
- Higher Education Student Assistance Authority	27	27
TRANSPORTATION	2,819	2,746
- Motor Vehicle Services	4	0
TREASURY (Balance)	3,183	3,236
- Casino Control Commission	0	0
- Office of Administrative Law	102	107
- Office of Information Technology	0	0
- Public Defender	948	994
- Child Welfare Reform		126
- Commission on Science and Technology	4	6
- Board of Public Utilities / Ratepayer Advocate	0	0
MISCELLANEOUS COMMISSIONS	2	2
<b>SUBTOTAL EXECUTIVE BRANCH</b>	<b>43,312</b>	<b>45,080</b>
LEGISLATURE	515	543
JUDICIARY (Administrative Office of the Courts)	1,517	1,555
<b>STATEWIDE TOTAL (w/o Courts)</b>	<b>45,344</b>	<b>47,178</b>
JUDICIARY (County Courts)	6,323	6,304
<b>GRAND TOTAL</b>	<b>51,667</b>	<b>53,482</b>

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## NON STATE FUNDED WORKFORCE 2/6/04 vs. FY 2005 FUNDED POSITION COMPARISON

	EMPLOYEES	ALL OTHER 2/6/04	FY05 FUNDED
AGRICULTURE		106	112
BANKING AND INSURANCE		484	508
CHIEF EXECUTIVE OFFICE		0	0
COMMUNITY AFFAIRS		889	990
CORRECTIONS (Balance)		441	462
- Parole Board		0	0
EDUCATION		540	604
ENVIRONMENTAL PROTECTION		1,017	1,093
HEALTH AND SENIOR SERVICES		1,319	1,485
HUMAN SERVICES (Total)		5,834	6,057
- Management and Budget		143	145
- Medical Assistance		376	425
- Disability Services		12	10
- Family Development		190	221
- Commission for the Blind and Visually Impaired		82	96
- Youth and Family Services		711	733
- Deaf and Hard of Hearing		0	0
- Developmental Disabilities		4,283	4,389
- Mental Health and Hospitals		37	38
LABOR (Balance)		3,463	3,472
- Public Employee Relations Commission		0	0
LAW & PUBLIC SAFETY (Balance)		2,686	2,948
- Child Welfare Reform		0	0
- Election Law Enforcement Commission		0	0
- Violent Crimes Compensation Board		0	0
- Executive Commission on Ethical Standards		0	0
- Juvenile Justice		478	529
MILITARY AND VETERANS' AFFAIRS		159	192
PERSONNEL		37	42
STATE (Balance)		65	66
- Commission on Higher Education		2	2
- New Jersey Network		47	46
- Higher Education Student Assistance Authority		181	198
TRANSPORTATION		1,037	1,130
- Motor Vehicle Services		2,240	2,500
TREASURY (Balance)		465	498
- Casino Control Commission		349	364
- Office of Administrative Law		10	11
- Office of Information Technology		924	966
- Public Defender		2	4
- Child Welfare Reform		0	0
- Commission on Science and Technology		0	0
- Board of Public Utilities / Ratepayer Advocate		341	367
MISCELLANEOUS COMMISSIONS		0	0
<b>SUBTOTAL EXECUTIVE BRANCH</b>		<b>23,116</b>	<b>24,646</b>
LEGISLATURE		0	0
JUDICIARY (Administrative Office of the Courts)		284	278
<b>STATEWIDE TOTAL (w/o Courts)</b>		<b>23,400</b>	<b>24,924</b>
JUDICIARY (County Courts)		1,229	1,233
<b>GRAND TOTAL</b>		<b>24,629</b>	<b>26,157</b>

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