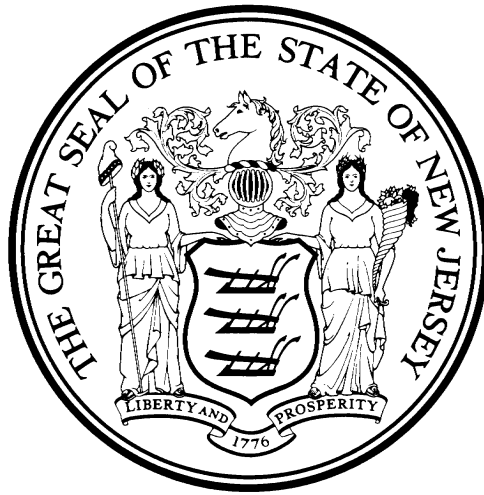


STATE OF NEW JERSEY

BUDGET



FISCAL YEAR 2006 – 2007

Jon S. Corzine, Governor

**Bradley I. Abelow
State Treasurer**

**Carol O’Cleireacain
Deputy State Treasurer**

**Charlene M. Holzbaaur
Director**

**Robert L. Peden
Deputy Director**

**Gary J. Brune
Associate Director**

**Jacki L. Stevens
Assistant Director**

**Office of Management and Budget
March 21, 2006**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of New Jersey

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of New Jersey, for its annual budget for the fiscal year beginning July 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TABLE OF CONTENTS

	Page
Governor's Message	i
Organization of New Jersey State Government	
Readers Guide	A-1
Summaries of Appropriations:	
The Budget in Brief	B-1
Major Highlights	B-4
Resources and Recommendations for Fiscal Year 2007 (All State Funds)	B-46
Summary of Fiscal Year 2006-2007 Recommendations	B-47
Summary of Appropriations, by Fund.	B-47
Summary of Appropriations, by Organization	B-48
Summary of Appropriations, by Category or Purpose	B-52
Summary of Appropriations, by Statewide Program	B-54
Summary of Appropriations, Dedicated Funds by Program	B-56
Appropriations Major Increases and Decreases	B-65
State Aid for Local School Districts—Consolidated Summary	B-83
Summaries of Revenues, Expenditures and Fund Balances:	
Combined Summary, Estimated Revenues, Expenditures, and Fund Balances	C-1
Summary of Estimated Revenues, Expenditures, and Fund Balances	C-3
Revenue Forecast and Initiatives	C-4
Statement of Estimated Revenues and Expenditures	C-10
Schedule I State Revenues	C-11
Schedule II Other Revenues	C-18
Schedule III Expenditures Budgeted	C-33
Schedule IV Expenditures Not Budgeted	C-35
Summary, Estimated Revenues, Expenditures, and Fund Balances	C-36
Budget Recommendations	
Department and Branch Recommendations:	
Legislature	D-1
Chief Executive	D-9
Agriculture	D-13
Banking and Insurance	D-23
Children and Families	D-31
Community Affairs	D-43
Corrections	D-65
Education	D-85
Environmental Protection	D-117
Health and Senior Services	D-149
Human Services	D-181
Labor and Workforce Development	D-251
Law and Public Safety	D-267
Military and Veterans' Affairs	D-303
Personnel	D-317
Public Advocate	D-323
State	D-329
Transportation	D-385
Treasury	D-401
Miscellaneous Commissions	D-447
Interdepartmental Accounts	D-453
The Judiciary	D-471
Capital Construction and Debt Service	E-1
Language Provisions-Federal Funds	F-1
Language Provisions-General Fund	F-2
Revolving Funds	G-1

Appendices:

Summary of Special Revenues, Capital Projects, Proprietary, and Private Purpose Trust Funds Appendix 1	H-1
Special Revenue Funds, Appendix 1A	H-2
Capital Project Funds, Appendix 1B	H-38
Private Purpose Trust Funds, Appendix 1C	H-442
Proprietary Funds, Appendix 1D	H-43
Description of Funds	H-44
State Lottery Fund Schedule	H-62
Casino Revenue Fund Schedule and Projection	H-63
911 System and Emergency Response Fee	H-66
Transportation Trust Fund Schedule	H-67
Statement of General Long-Term Debt	H-68
CAP Law	H-69
Population and Personal Income Demographics	H-71
State & Non-State Workforce Summary	H-72

Index	I-1
-------------	-----



Governor's Message

JON S. CORZINE
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED AND TWELFTH LEGISLATURE

March 21, 2006

Senate President Codey, Speaker Roberts, Minority Leaders Lance and DeCroce, Governors Byrne, Florio, distinguished guests, my colleagues in the Cabinet, my fellow New Jerseyans...Good Afternoon.

It is my honor and responsibility to stand before you today and offer my best ideas to meet our state's recurring structural budget crisis. My administration's work over the past two months has surely deepened my understanding of the challenge of fixing our broken fiscal policies.

I must say, Governor Codey was on target when in November he jokingly said, "my transition report can be summed up simply – The state is pretty much broke." Today more than in November, I realize he was pretty much right.

Now more than ever, I appreciate how difficult our work over the next 3 ½ months will be, as together, we arrive at a responsible, negotiated budget.

Most certainly, I am committed to working with all of the Legislature, both Democrats and Republicans, to produce a budget which respects the fundamental values of the people of our great state and the mandate of our Constitution.

I think the values of most New Jerseyans include the expectation that as individuals, and as a community, we must pay our own way in life. New Jerseyans believe that telling the truth is always better than hiding from it, even when it hurts. And boy does this hurt.

And, most New Jerseyans understand that the character of a society can be measured by the support we give to our most vulnerable: our children, the elderly and those left behind developmentally or from other afflictions of life's circumstances.

I am certain the American Dream of a better tomorrow for our children is alive and well in New Jersey. And those of us in Government must promote that promise, not undermine it.

We express our vision of that promise in real terms through our budgets.

Budgets are the numbers, words and choices that capture our values. My words and the proposal before you today will not be about elaborate arguments or fancy rhetoric.

My proposal will be about the hard choices and the numbers that will put our state on a pathway to financial stability and responsibility – allowing, ultimately, for disciplined investments in our future, while fulfilling our responsibilities to provide a secure and sound quality of life for all New Jerseyans.

My proposal to you today is based on four fundamental principles:

1. We must stop spending more than we take in;
2. We must stop borrowing and using gimmicks to pay today's bills;
3. We must rely much more heavily on cuts in spending and savings than new revenues to balance our books;
4. We must be smart in finding ways to mitigate the impact of these cuts to protect the most vulnerable in our state.

GOVERNOR'S MESSAGE

To be successful in the tough negotiating sessions ahead, shared costs and benefits must occur. Our end product must have both the appearance and the reality of being fair.

All of us have been warned that a day of reckoning was near with respect to our troubled state finances. This is that day.

Our problem is simple; we have been spending more than we take in.

Our credit standing in the marketplace has gone from AAA to near the bottom of the class among the states.

Governor Codey made clear last year in his budget address that we had to start the process of cleaning up “the fiscal mess in Trenton,” and with the help of the Legislature, important first steps were taken in fiscal 2006. But we can all agree: there is considerably more to be done.

The task ahead is daunting and not particularly attractive politically, for anyone. That said, the task must go forward — no matter how tough the choices — with a readiness to share the sacrifices.

To this point, let me provide some perspective: if we continue current programs, if we fully fund pensions as we should, and if we increase property tax rebates as I promised, our spending growth in 2007 would exceed our revenues by a minimum of \$4.8 billion.

Let me be clear: that \$4.8 billion reflects what our needs would be if we fully restored property tax rebates to 2005 levels and then grew them 10%.

After the last two months, I'll be the first to acknowledge that some things will have to wait. In this case, while I recommend that we increase existing rebates 10%, we will have to put off restoration of the rebate cuts made last year.

Deferring that restoration will bring the gap to \$4.3 billion, which is still a big hole.

So it is with great reluctance that I am proposing we fund only 70% of the current pension obligation. That equates to almost \$1.5 billion in real spending on pensions. This is an increase of \$1.1 billion over last year – and more cash to pension contributions from the General Fund than in the last nine years added together.

This is a good faith effort to put us on a path toward restored integrity in our state retirement system – a path that will accelerate the benefits of growing investment returns accrued through compound interest.

Make no mistake – our unfunded pension obligation is a real bill, and it has been deferred far too long.

Both of these deferrals are tough, but the cuts to come are even tougher. And I recommend all of them as essential in an overall package of painful choices.

Now, we come to how we meet the remaining billions in mandated, legislated and inflated expenditures from this year to next.

Unfortunately, the bulk of these reductions and constraints on growth have to fall in areas where the state controls spending – areas as sensitive and important as K–12 and higher education, health care and municipal aid.

With no pleasure, I propose cuts and constrained growth in these and other programs of almost \$2 billion. To that end, we have eliminated 75 programs, we have cut funding below current levels for 130 more, and we have cut back the rate of growth of still another 30 programs.

Since the election, I've been working on finding a way to fix the mismatch between our revenues and our expenditures. I've met with the heads of each department, going through their budgets line by line. Our focus has been almost entirely on how to reduce their spending.

We've done a lot, but it hasn't been enough to fill the hole.

Reluctantly, I am forced to seek net new tax revenues of about \$1.4 billion, primarily through a 1 cent increase in the general sales tax along with a modest extension of that tax into some services.

To summarize: if we implement my proposals, at the end of the day, we'll end up with a budget totaling \$30.9 billion, an increase of \$3.5 billion over last year's proposed budget and about \$2.6 billion over the adjusted appropriation for fiscal 2006.

Some critics will attack the size of the budget as too big, and they may be right. But the size of the budget is not the result of new initiatives on services or aid; it is simply a reflection of the true cost of current state services already being provided. It reflects already legislated, mandated, negotiated and inflated costs.

And while this budget is balanced, we still have significant structural problems built in for future years. Consider: if you, my legislative partners, agree to every painful choice proposed for fiscal 2007, the ongoing growth in expenditures already in place for fiscal 2008 will leave us with a minimum starting hole next year of \$1.5 billion before we make one new decision on spending.

Our problem is, unless we change course, we're going to spend that \$1.5 billion. And we won't have anything new to show for it. Just as challenging, every time we use a gimmick or a trick to pay for this year's expenses, all we're doing is making next year's problem bigger.

In the \$30.9 billion budget model I have laid down, I have sharply reduced so-called one-shots and gimmicks.

In the last four years, such one-shot sources have averaged \$2.8 billion per year. We've reduced that figure by over 80% to no more than \$500 million, down from \$1.8 billion in the current year's budget.

This addiction to short-term solutions to long-term problems has continuously compounded the deficit hole for succeeding years' budgets and eroded the state's credit rating as a result. These practices must end. And they will.

Now, for the most part, let me spare you the recitation of locked-in spending increases, revenue enhancements, the holes created by one-shots and the laundry list of spending cuts. The details of these issues are spelled out comprehensively in the Budget-in-Brief, a copy of which is before you and will be available to the public.

But let me be clear, I expect the final budget to cut expenditures more than we raise taxes. And I will not accept any solutions that rely on a greater amount of one-time revenue raisers than I have laid down.

While there can be legitimate arguments on priorities within the proposed budget structure, I will fight for this model of serious cuts coupled with some new revenues.

New Jersey's state finances need to get back onto a sound long-term footing, consistent with the values of our people, and I am determined to deliver that end through our final budget. The continuous use of the state's charge card to pay current operating expenses and stuffing bills into our desk drawers covering up our crisis are over.

Recurring revenues must match recurring spending.

To those who thought my financial background would mean I had some magic bullet in my holster to balance the budget, I am sorry to disappoint you. My answer is as simple as old-fashioned arithmetic. We can't keep spending more than we take in. The solution is simple – stop! We must and we can.

Just as this group of legislators has admirably addressed and supported critical reform at UMDNJ, in the Schools Construction Corporation, in the Transportation Trust Fund and in the organization of our homeland security efforts, together I am sure we will responsibly face our day of reckoning on our budgetary crisis.

I particularly want to thank Speaker Roberts and Senator Codey for their leadership on these and other vital issues. I appreciate the civil and positive dialogue my administration has had with the leadership of both parties as we prepared our budget. In this regard, let me particularly express my appreciation to Senators Bryant, Lance and Littell and Assemblymen Greenwald, DeCroce and Malone.

GOVERNOR'S MESSAGE

But now is the time for decisions – there is no magic bullet. Our budget gap must be closed with hard choices.

School aid for most districts will be flat except for growth in pension contributions, a modest increase for Abbott pre-schools, support for special education in heavily impacted districts and state supported after school programs.

I appreciate that flat-funding in an inflating environment is a real cut. Reality and necessity must be the mother of invention. Just as the state must find spending reductions, other units of government must as well.

We are also imposing the same flat-funding principle with respect to municipal aid. And, we are proposing absolute cuts to higher education institutions offset with very modest increases in student aid.

In combating double-digit percentage growth in health care expenditures, we are holding charity care flat even though we are appropriately no longer tapping the Unemployment Insurance Fund as a revenue source to fund this need.

Additionally, we intend to institute bulk purchases of pharmaceuticals as an important cost-reduction measure. We also propose co-pays in several state-administered health programs, including in Medicaid. I think the public will understand the necessity of such steps.

While we will press for the savings that are noted, we will also push to expand FamilyCare – as you, the Legislature, did last year. Let me congratulate Senator Vitale in particular for his leadership in this important effort. If we are diligent, we will bring 50,000 additional children onto the rolls of FamilyCare with a targeted spending increase of \$5 million. Getting our children out of the emergency room and into the doctor's office will both protect our children and reduce costs.

The last broad area targeted for cost savings is in the category of managerial efficiencies and taking on “waste, fraud, and abuse.” For instance, a substantial Medicaid fraud initiative targets \$50 million in savings.

Additionally, we anticipate eliminating over 1,000 funded employee positions throughout state government primarily through attrition and a reduction in political appointees, saving more than \$67 million.

There are also substantial possibilities for improving efficiencies and achieving savings across departments and agencies, particularly through the implementation of a statewide information technology plan and better management of our real estate portfolio and lease arrangements.

As the Assembly Budget Committee rightly pointed out last month, we need to aggressively implement many of the recommendations of the State Auditor. Those proposals are anticipated to save \$240 million over the next two years.

And of all areas of reform, the well-documented abuses in the public retirement system demand immediate attention. Some initiatives, like requiring 1,000 hours of work for pension eligibility in a given year, seem obvious, as does eliminating tacking and padding at the end of a public career. While many reforms must be negotiated at the bargaining table, I will work with the Legislature on a down-payment on reform that will provide modest current-year savings.

That said, failure to address the obvious abuses of a system designed for career employees will undermine the credibility of government and those of us who are its representatives.

All this considered, let me make one observation clear: Anyone who says we can save \$3 – \$4 billion by eliminating waste, fraud and abuse is selling snake oil. Worse, they are hiding from the painful alternatives and choices that will truly address our failing financial circumstances.

Yes, there are savings, but not in the billions.

Hard savings will come from proposed cuts of about \$2 billion in programs, restructurings and the elimination of political pork. My proposed cuts are real, and the rough total needs to survive our negotiations.

I am confident, as we continuously review government activities, we will find additional savings. We must objectively examine every program, measure each activity's performance, demand more for less, and root out spending that merely serves political, not public, purposes.

GOVERNOR'S MESSAGE

In fact, today I am announcing the formation of a Special Task Force to coordinate our efforts to reengineer state government. I have asked Richard Leone to chair that effort, which will include a senior group of cabinet officers and concerned citizens. The task force will report to me regularly on further cuts and efficiency measures designed to realize substantial additional savings and enhanced performance. And, they will look to apply best practices in efficiencies developed by both Democrat and Republican Governors around the country.

As a last step designed to buttress control of spending, I renew my call for an elected, independent state comptroller. To that end, I will be working with the Legislature in the year ahead to bring an independent check and balance to the state's fiscal affairs. Independent audits are good enough for private business and they should be good for the public's business as well. Many of the recent spectacular failures of state institutions could have been avoided by consistent outside oversight.

All of these measures will help control spending, but as I said earlier, they will not be enough. As much as people may hate the spending cuts, most will hate the taxes more. Governors – I can hear the Bronx cheers already. They are however, forced upon us by the unforgiving arithmetic of our structural deficit. Tax increases are a last resort.

As we studied our financial circumstances, I concluded that the sales tax should be the primary tool for generating new revenue. That recommendation came after carefully considering the potential impact of raising our already high level of income taxes on the state's overall economic competitiveness.

The sales tax extensions and increase I have proposed will retain the exclusion on groceries and clothing. To put the new tax in perspective: the added burden will cost the average New Jersey household with a family of four about \$5 a week – or about \$260 a year. Additionally, we will lighten the burden on those least able to bear this new tax by ending state income taxes for more than 400,000 of our low-income taxpaying residents, with substantial relief for another 200,000.

This income tax cut will directly aid part-time and low-wage workers, particularly seniors, students, teenagers and the working poor.

Our property tax rebates to low- and moderate- income seniors and working families, combined with the proposed income tax cut, goes a long way to maintaining our state's long standing commitment to a progressive tax structure.

One last consideration on taxes should be noted. While we are proposing a 2.5% surcharge for three years on the corporate business tax, we are also letting expire a larger set of anti-growth taxes on businesses, including those on net operating losses. The net result will be stimulative to business and job growth, an objective vital to all New Jerseyans.

Other proposed revenue enhancements are primarily an effort to capture greater federal government matches in health care. The most important of these initiatives relates to a hospital provider tax that will net the state over \$200 million in federal dollars while maintaining an overall neutral cost to our hospitals.

The second effort, already noted, expands FamilyCare to take advantage of federal matching funds. The 65/35 split means that our \$5 million investment will leverage an additional \$9.3 million in federal funds to help insure 50,000 lower income families and children.

As I said in my Inaugural Address, the process of reestablishing our financial integrity will not be painless. We face tough choices. I would have preferred to have a public treasury flush with money to spend on good things for our state or further reduce the people's tax burden. But that is not the hand we've been dealt. And it is our task to do the best we can with today's stark realities. Our State, like every responsible family, must learn to live within its means.

Now, let me assure each citizen of New Jersey, each choice in the proposed budget was a difficult one that came after great care and consideration. But I trust that after honest deliberation – the Legislature, the public, and interested stakeholders will see this proposal contains the responsible fiscal discipline to get us back on a positive financial track – a result beneficial to all New Jerseyans.

GOVERNOR'S MESSAGE

Let me also note, this budget recognizes that we have moral imperatives that dictate we cannot turn our backs on the most vulnerable in our society.

To these imperatives, I'm proposing modest, targeted increases of no more than \$50 million in programs that enhance and advance the values that make our society strong – modest initiatives in special education, after school activities, affordable housing, the provision of health insurance for the uninsured, added tuition assistance grants, spending on food purchases for the poor and homeless and combating domestic and gang violence.

In addition to considering my budget plan, I am asking the Legislature's cooperation as I begin restructuring a number of agencies in ways that should be at a minimum, cost-neutral, but designed to improve performance and outcomes.

First, I propose the creation of the Department of Children and Families in order to sharpen our focus and increase the effectiveness of our child welfare system.

When we cannot keep our children safe, we have failed in one of our most basic responsibilities as a people. This reorganization will allow for the singular focus by all elements of the Department on child safety.

It will also help position us for greater flexibility in dealing with well intended court mandates which sometimes actually limit our ability to protect children. We hope to begin the new fiscal year with the new structure in place. I ask for your support.

Second, we seek financial support for the Office of Homeland Security and Preparedness. In the post 9/11, post-Katrina world, we must require and facilitate total cooperation and coordination across government with respect to homeland and hometown security. In return, the Legislature and the public should expect that risk and threat will be the only metric used in allocating scarce federal and state dollars invested in homeland security.

Under the able leadership of Dick Cañas, this office will work with all levels of government and the private sector to ensure that vital information and resources get where they need to go to keep us safe.

And lastly, economic growth should be the engine to expand revenues, not taxes. To achieve strong growth, we need a favorable investment climate for business.

We must carefully make strategic investments to attract and retain business. Even in this tough budget climate, we must promote economic growth, we must make investments that will help our state prosper. Moving the Business Employment Incentive Program, or BEIP, grants onto a pay as you go basis, for example, is appropriate. But there are also long-term investments funded by long-term borrowing that are both appropriate and necessary to support a growing economy, investments in an economy that will support future taxpayers as well as today's.

Restoring guaranteed funding to the Transportation Trust Fund was one such initiative. Funding stem cell research is another. If we are to be a leader in cutting-edge biotechnology and acquire the accompanying high-paying jobs, we will need to prime the pump. On this issue, it's time to act.

There is much to consider in the days between now and June 30th. We have tough choices to make together.

In fact, as soon as we close out the difficult debates of the budget season, we must move expeditiously to address the most pressing issue on the public's mind: fundamental property tax reform.

While property tax rebates arguably may be one of our most effective tools to ease the heavy tax burdens on New Jersey's homeowners and renters, they are not enough. And even though nearly half of all state spending is passed through for property tax relief including school aid and municipal aid, property tax burdens continue to grow steeply.

That fact alone should motivate those of us in this chamber to consider overall property tax reform as the next major order of business in New Jersey. I assure you it will be my priority once the state budget has been brought into balance. I look forward to working with the Legislature's leadership to set a timetable and process on this fundamental challenge.

When we leave this chamber, when we put aside the political rhetoric, when we look beyond the headlines, we must ask ourselves: are we doing the best in serving all the people of New Jersey – not just today, but over the long run?

GOVERNOR'S MESSAGE

Today, we begin writing a new chapter in the dialogue between government and the people we serve. It is time to start a very frank discussion of what we want our state to be. I intend to do just that over the next few months.

We need an awfully good reason for cutting services that affect millions and adding to our people's taxes. We owe them more than just an honest, balanced budget; they should be able to take that for granted.

We owe them a government that is a true steward, not only of their tax dollars, but also of their hopes and dreams.

This budget is only a starting point, a foundation. But on it, we can build a New Jersey that is strong and rich with opportunity; we can create a legacy that our children and grandchildren, in their own turn, will build on.

Of course the work we have to do together won't all be accomplished this year, or even over four years. But it is our common purpose, I think, to make the most of the time we have in government. Whatever our party affiliation, whatever our regional or local imperatives, whatever our personal predispositions on policy, let us find common ground on the big financial issues at stake.

New Jersey is one community, with one future.

If you don't like what I've proposed, then give me an alternative that is as far-reaching and as fair.

If you don't like the taxes, give me more cuts.

If you don't like the cuts, then you're out of luck – because there are already more taxes than I want.

We've got a tough few months ahead of us. I am sure there will be a temptation to duck some of the hard questions we must face. But in our hearts, we know better.

And most of all, we recognize that one course is not open to us – just doing more of the same.

So, let's get at it – together.

Thank you, and God Bless New Jersey and America.



Organization of New Jersey State Government

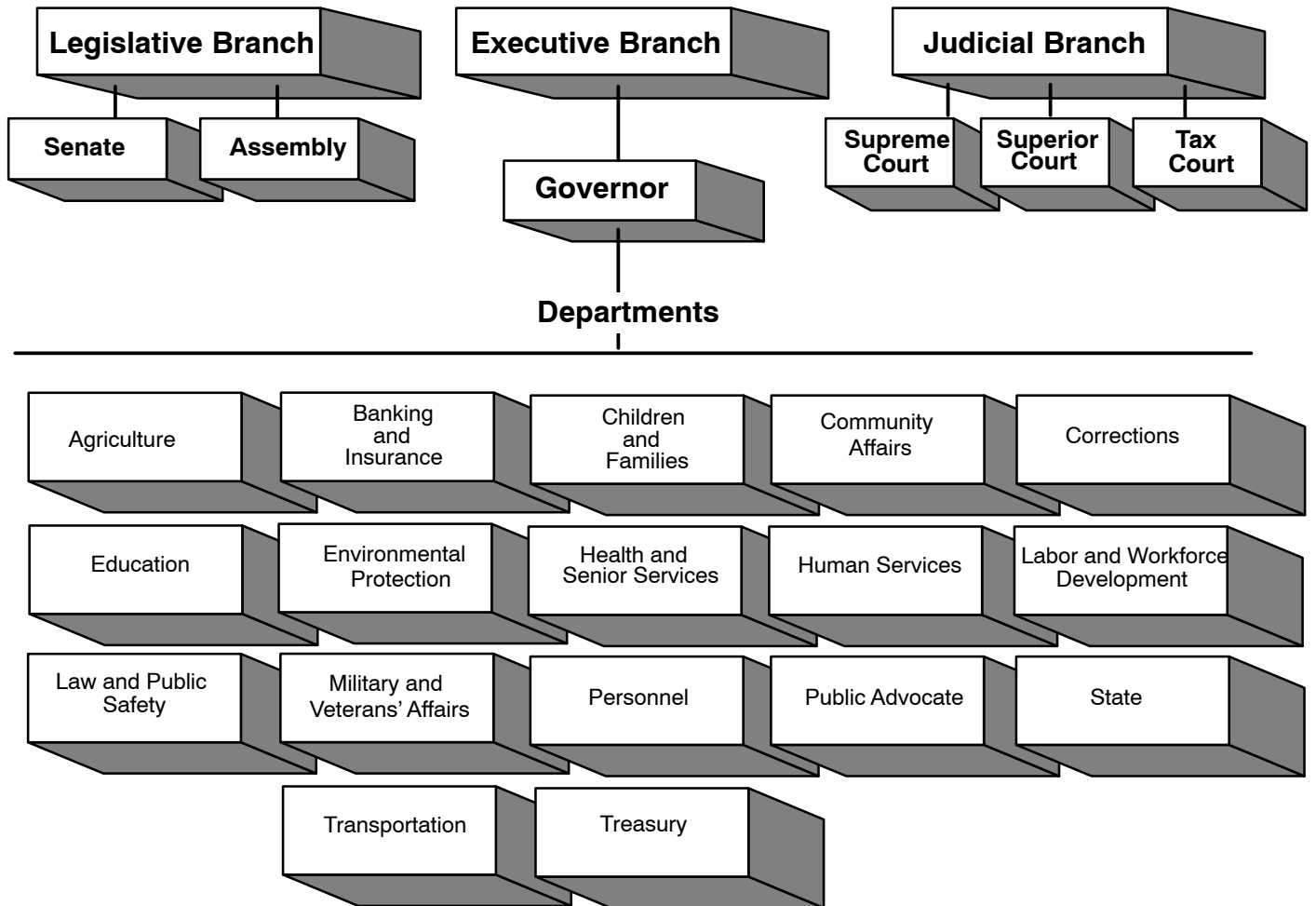
This section of the budget displays the many Departments, Agencies, and Organizations that comprise New Jersey State Government. Included is a brief background statement on the history of New Jersey Government which is followed by individual displays of the sixteen Executive Branch Departments and the proposed Department of Children and Families.

BACKGROUND

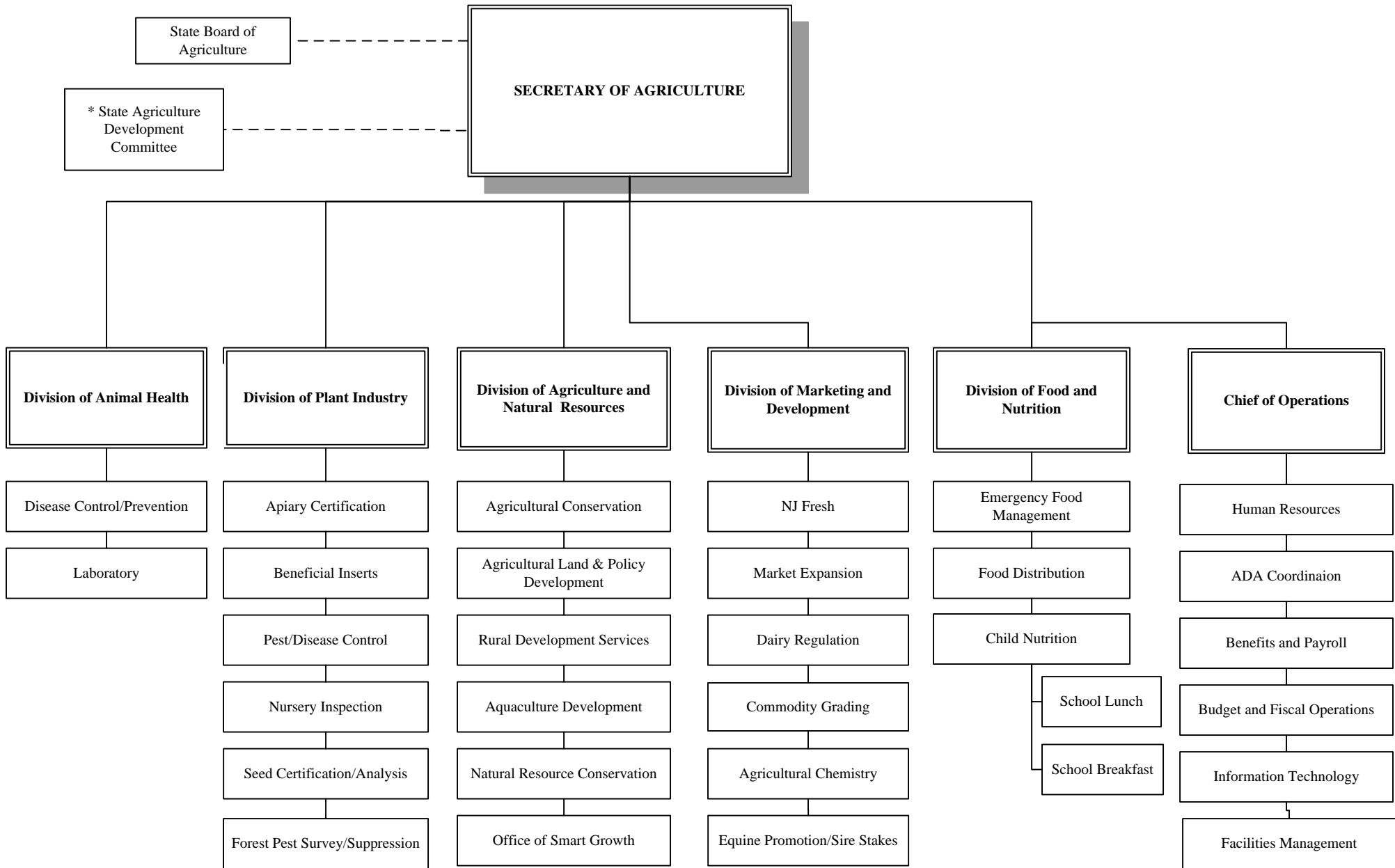
The State of New Jersey was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. New Jersey's governmental structure is similar to the federal model, with three separate branches of government: a Legislative Branch, a Judicial Branch, and an 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 1% 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.

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT

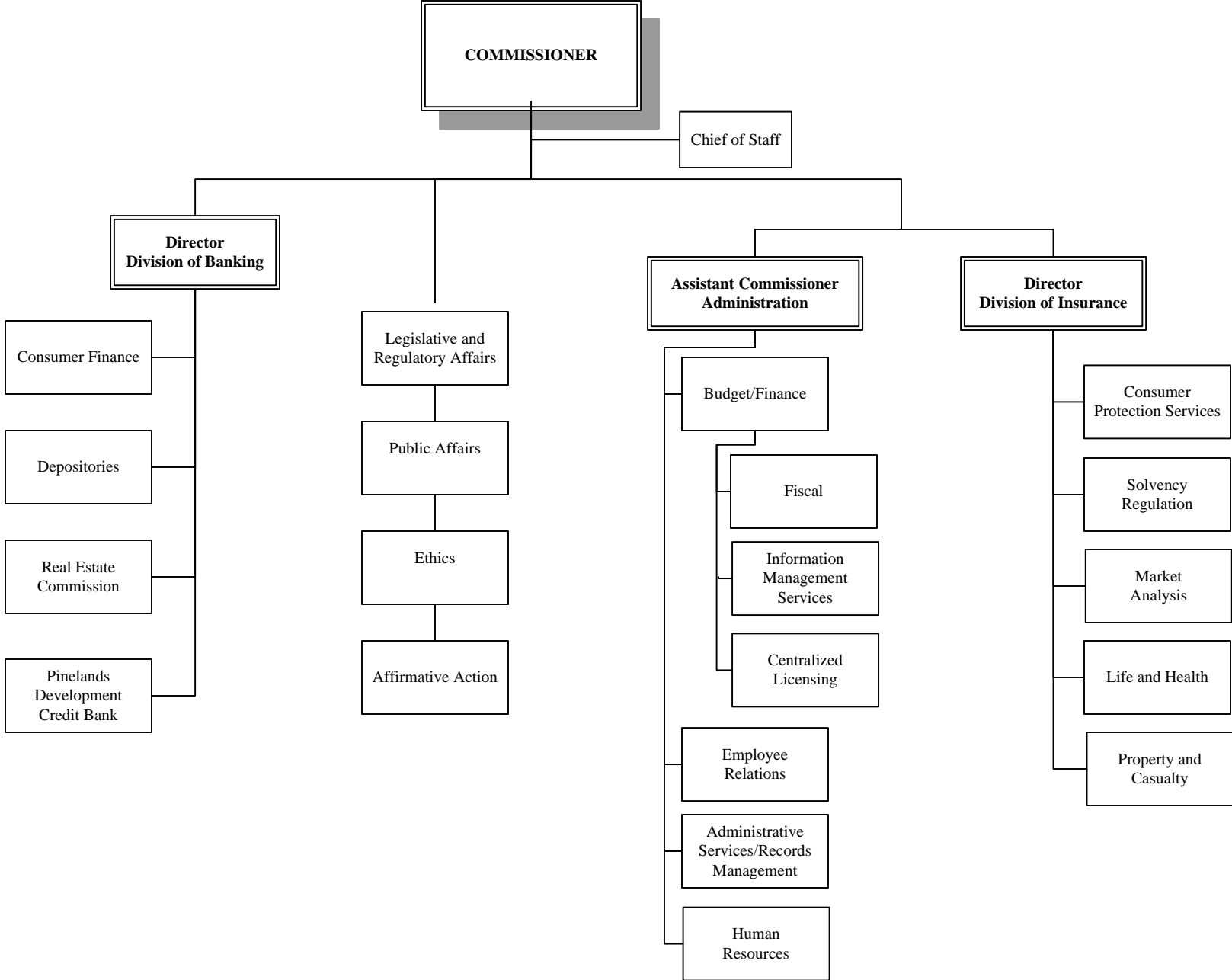


AGRICULTURE

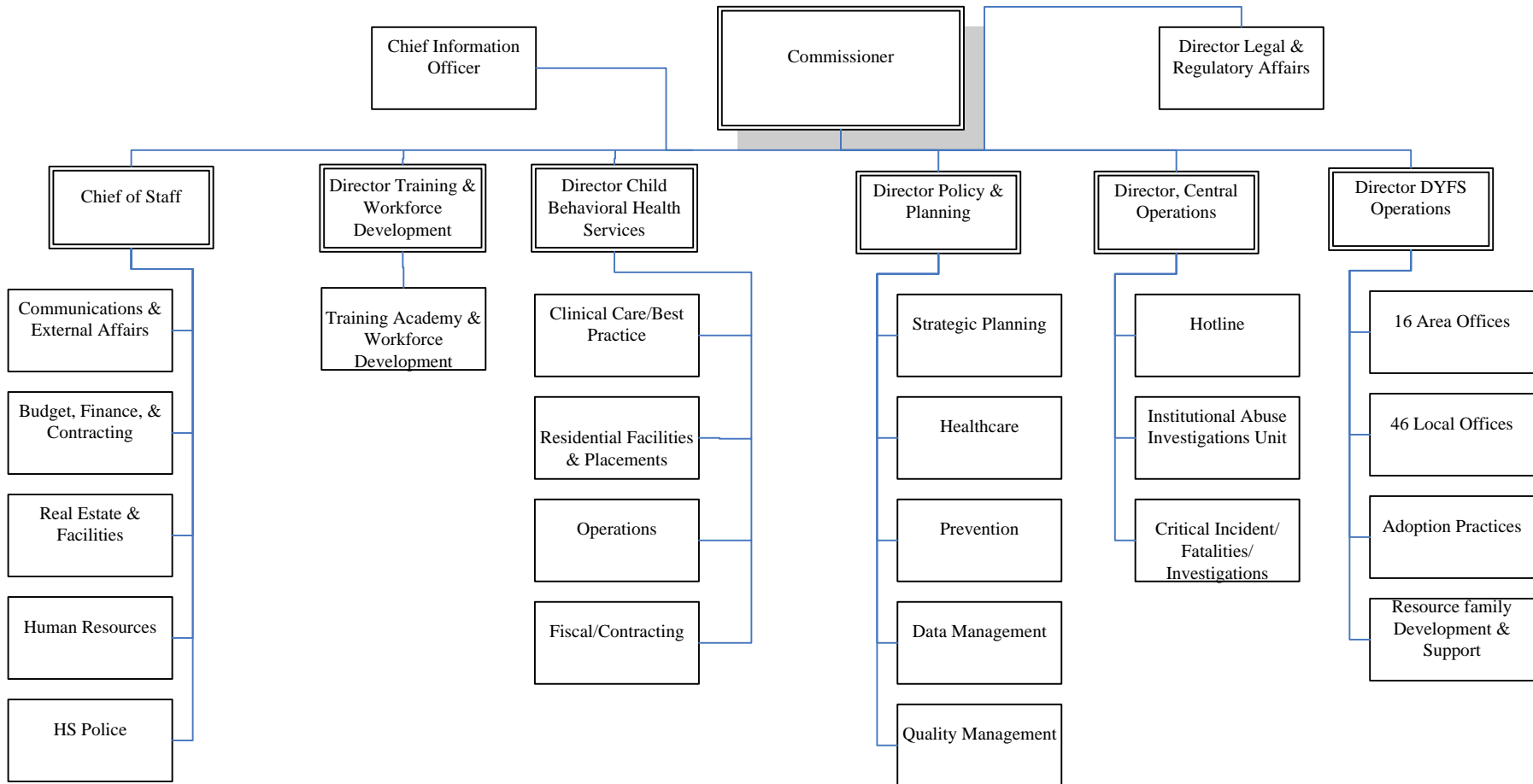


*** In but not of the Department of Agriculture**

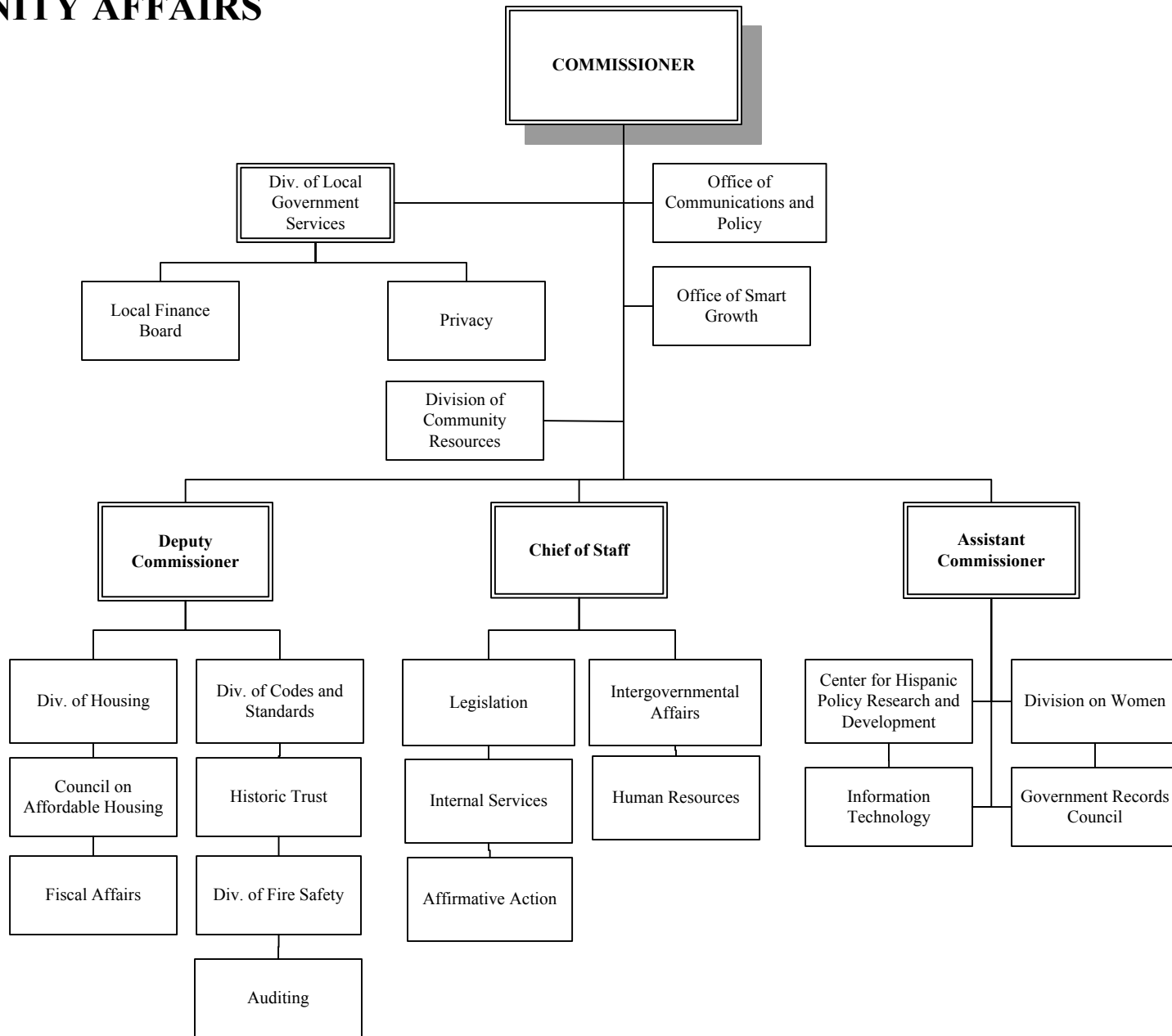
BANKING AND INSURANCE



PROPOSED CHILDREN & FAMILY SERVICES



COMMUNITY AFFAIRS



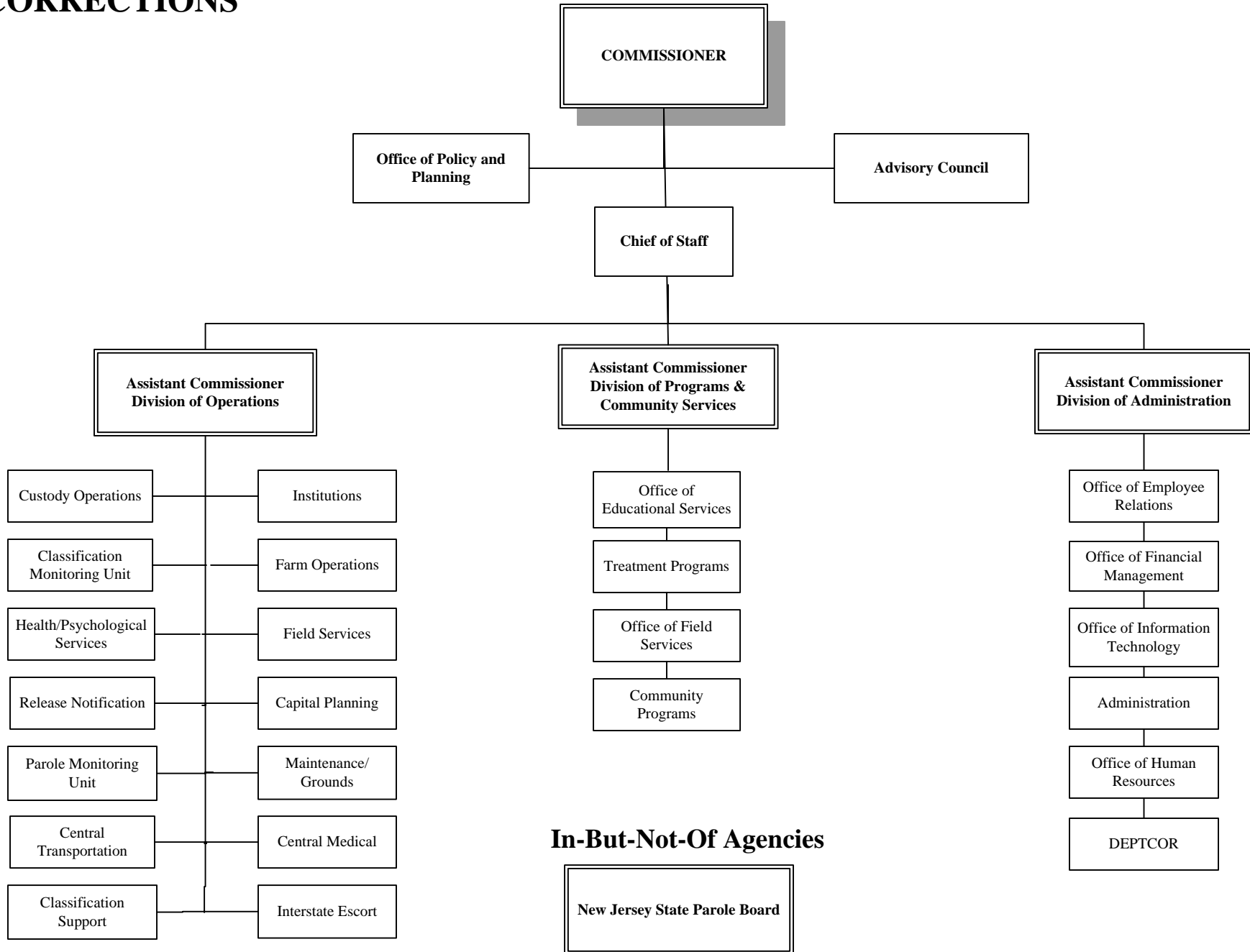
In-But-Not-Of Agencies

**NJ Meadowlands
Commission**

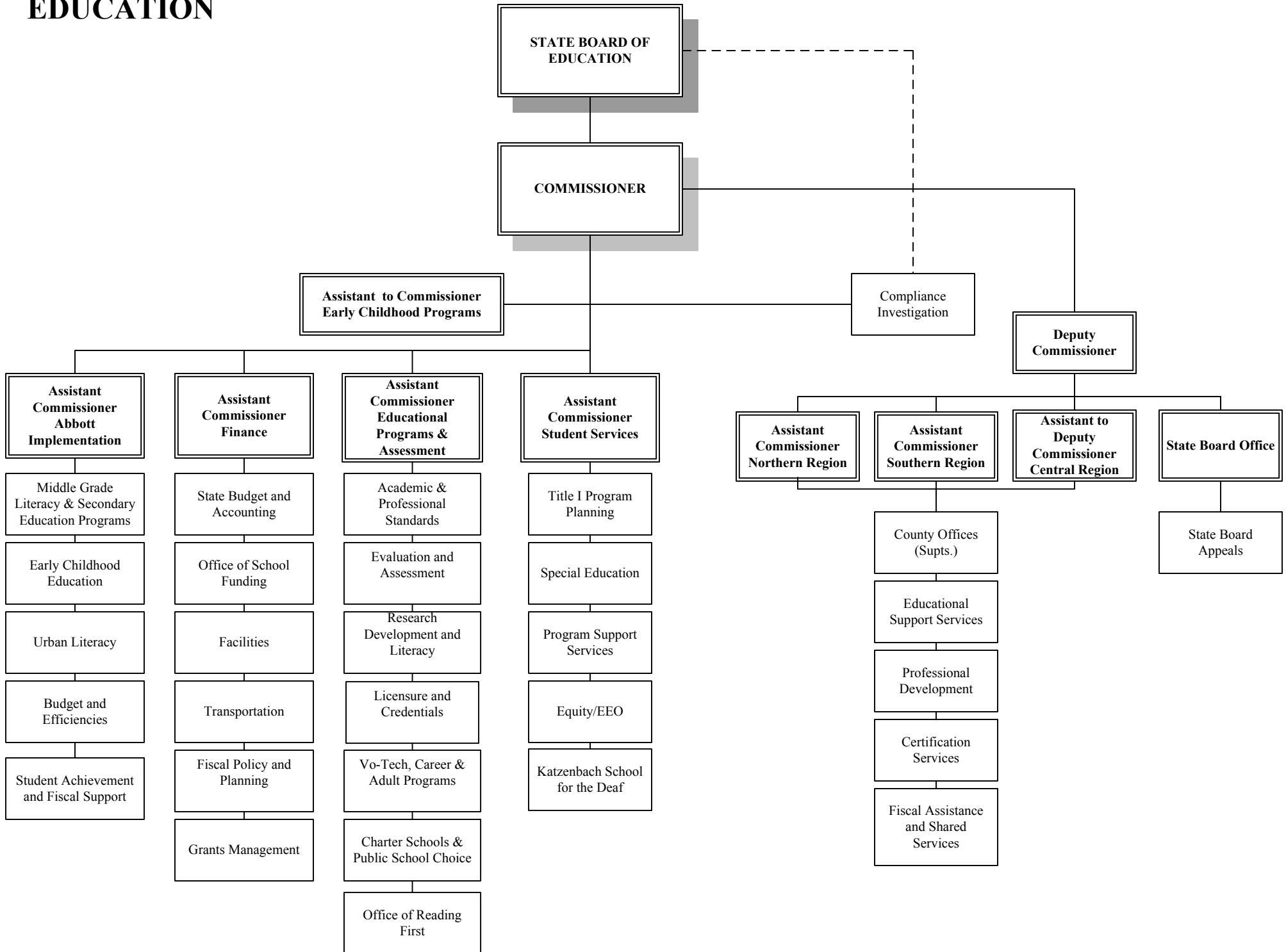
**NJ Redevelopment
Authority**

**Housing Mortgage
Finance Agency**

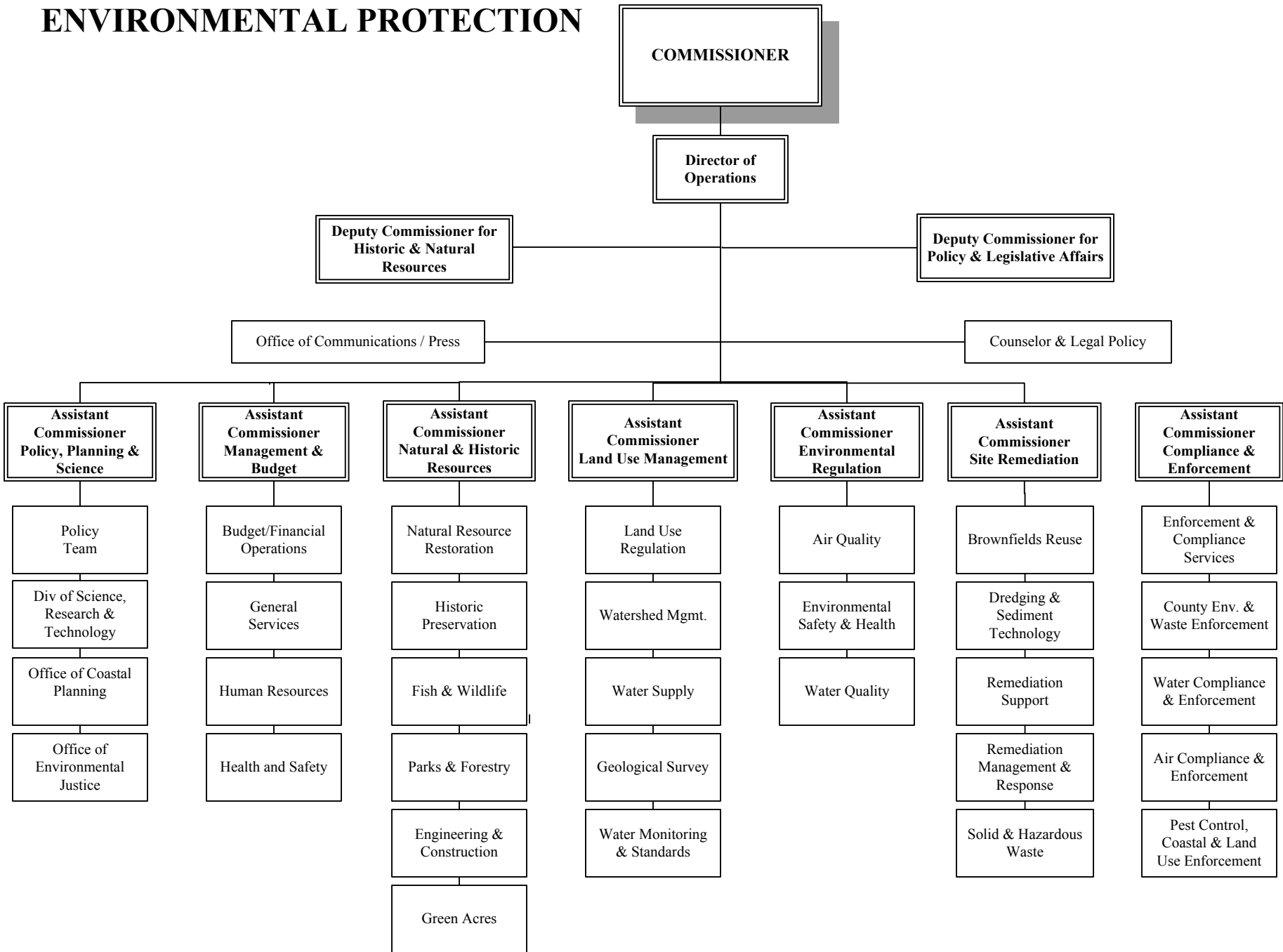
CORRECTIONS



EDUCATION



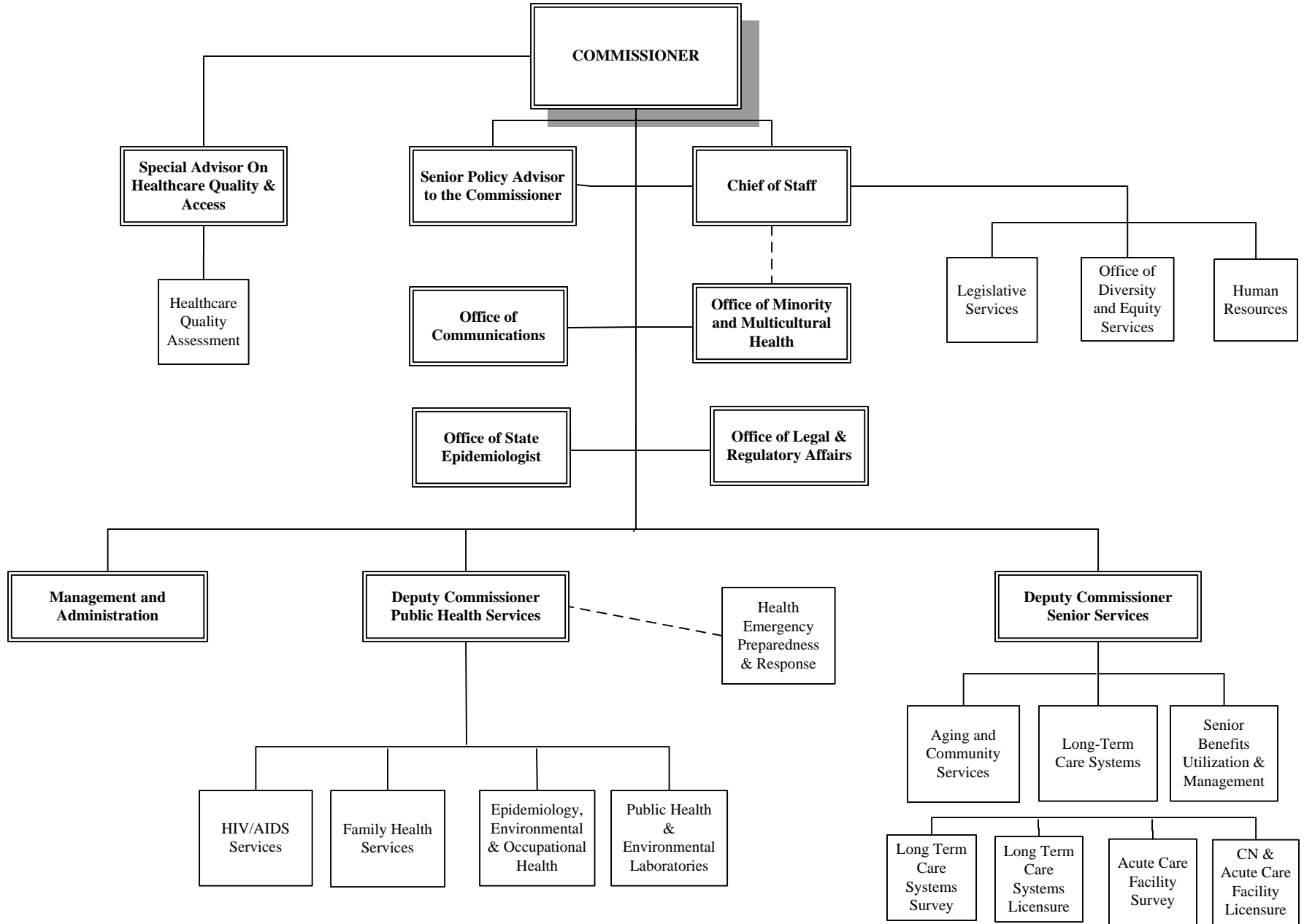
ENVIRONMENTAL PROTECTION



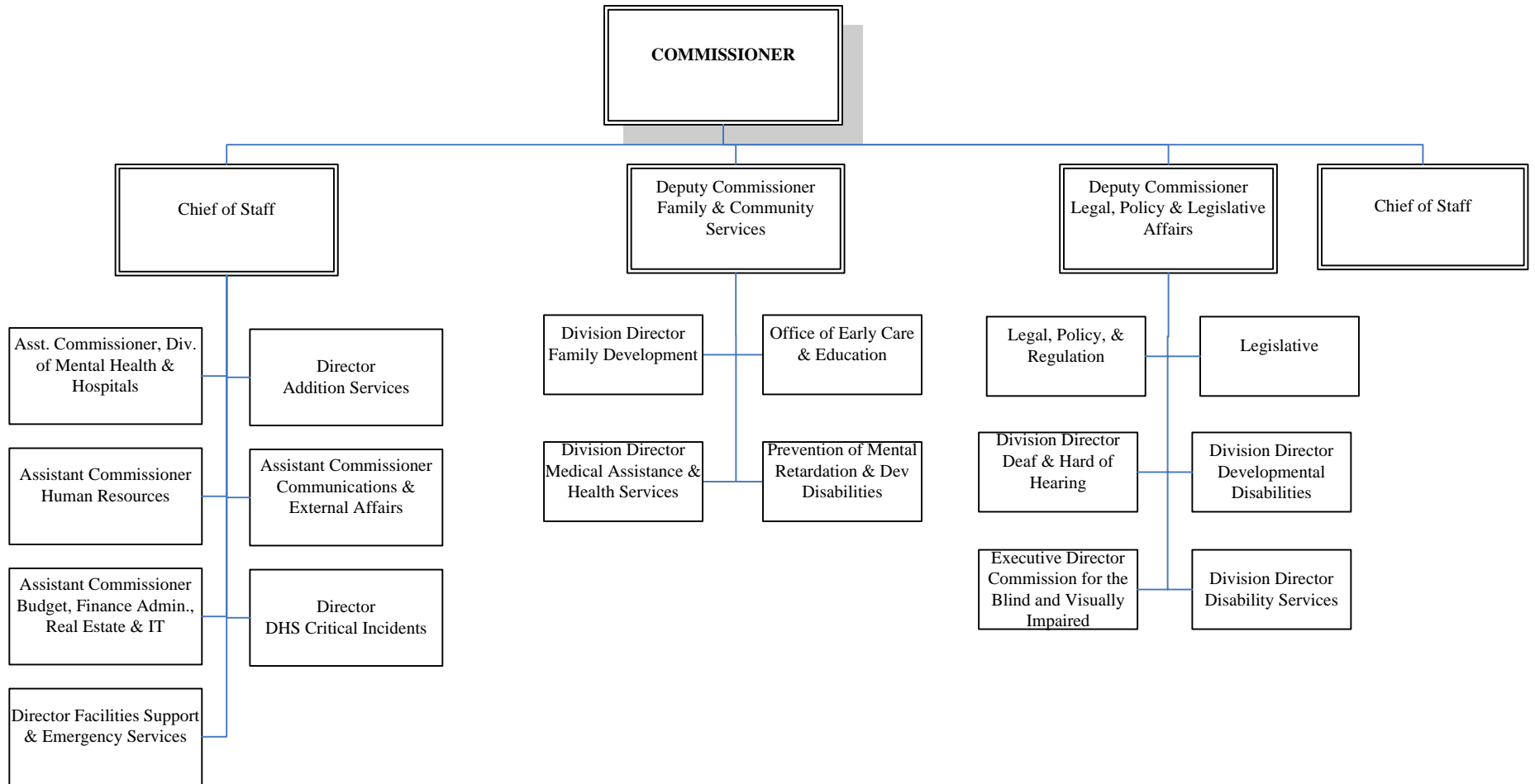
In-But-Not-Of Agencies



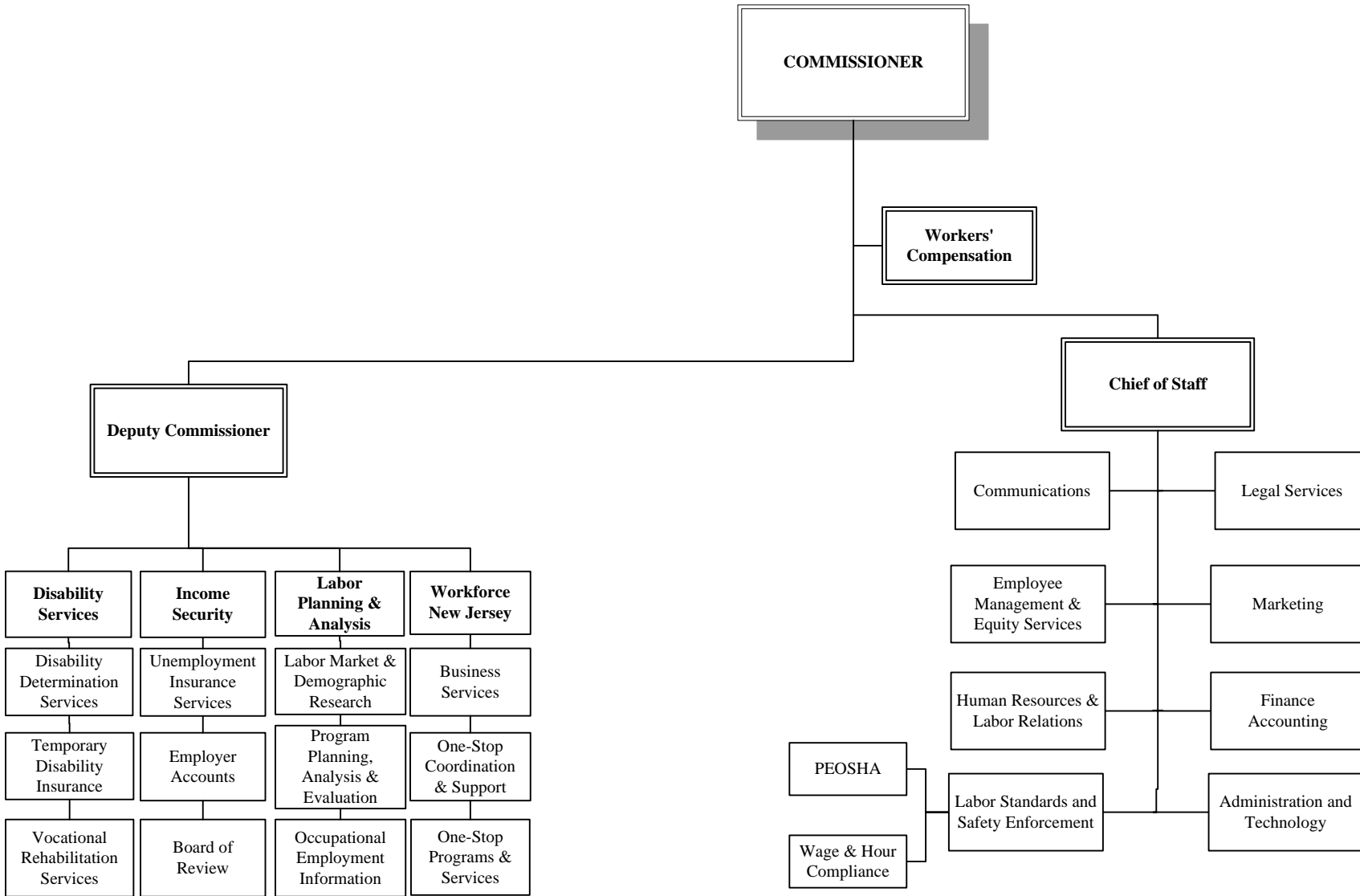
HEALTH AND SENIOR SERVICES



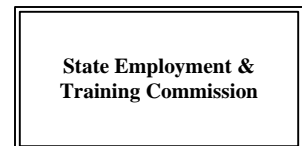
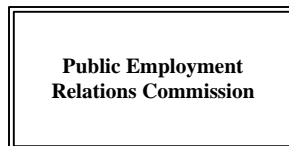
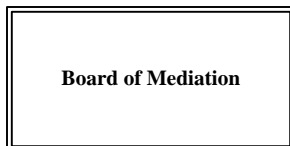
HUMAN SERVICES



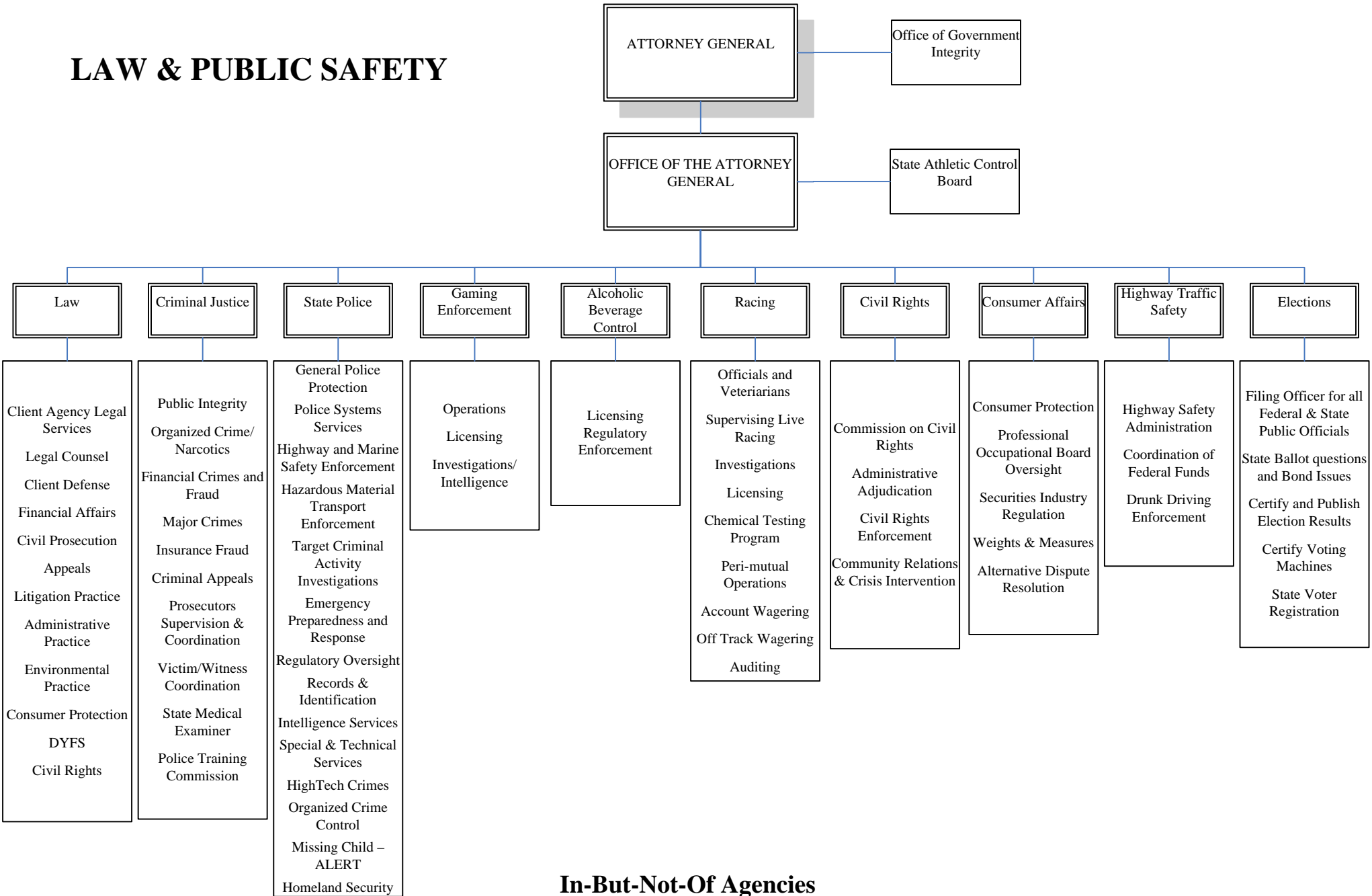
LABOR AND WORKFORCE DEVELOPMENT



In-But-Not-Of Agencies



LAW & PUBLIC SAFETY



In-But-Not-Of Agencies

Office of Homeland Security and Preparedness

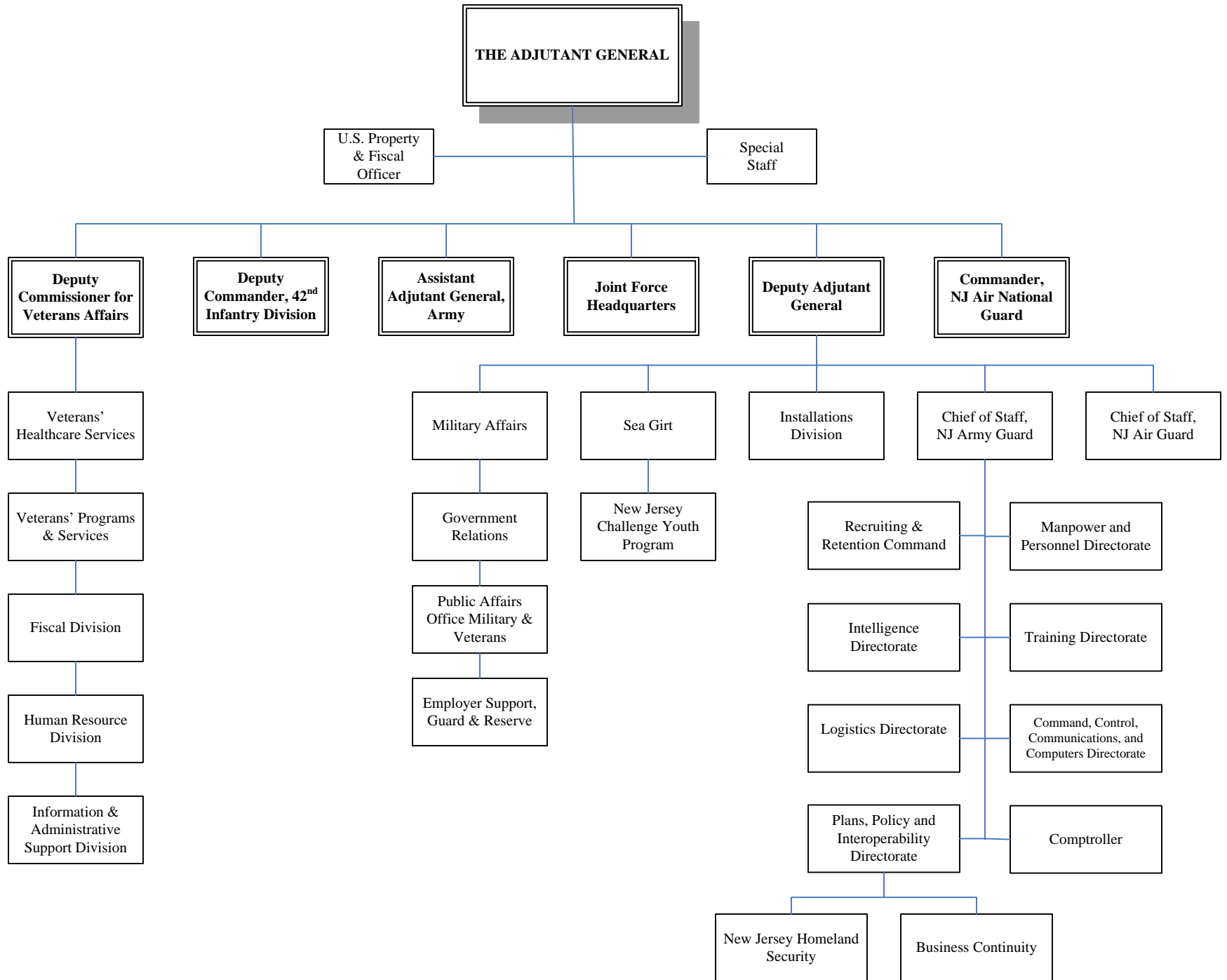
Executive Commission on Ethical Standards

Election Law Enforcement

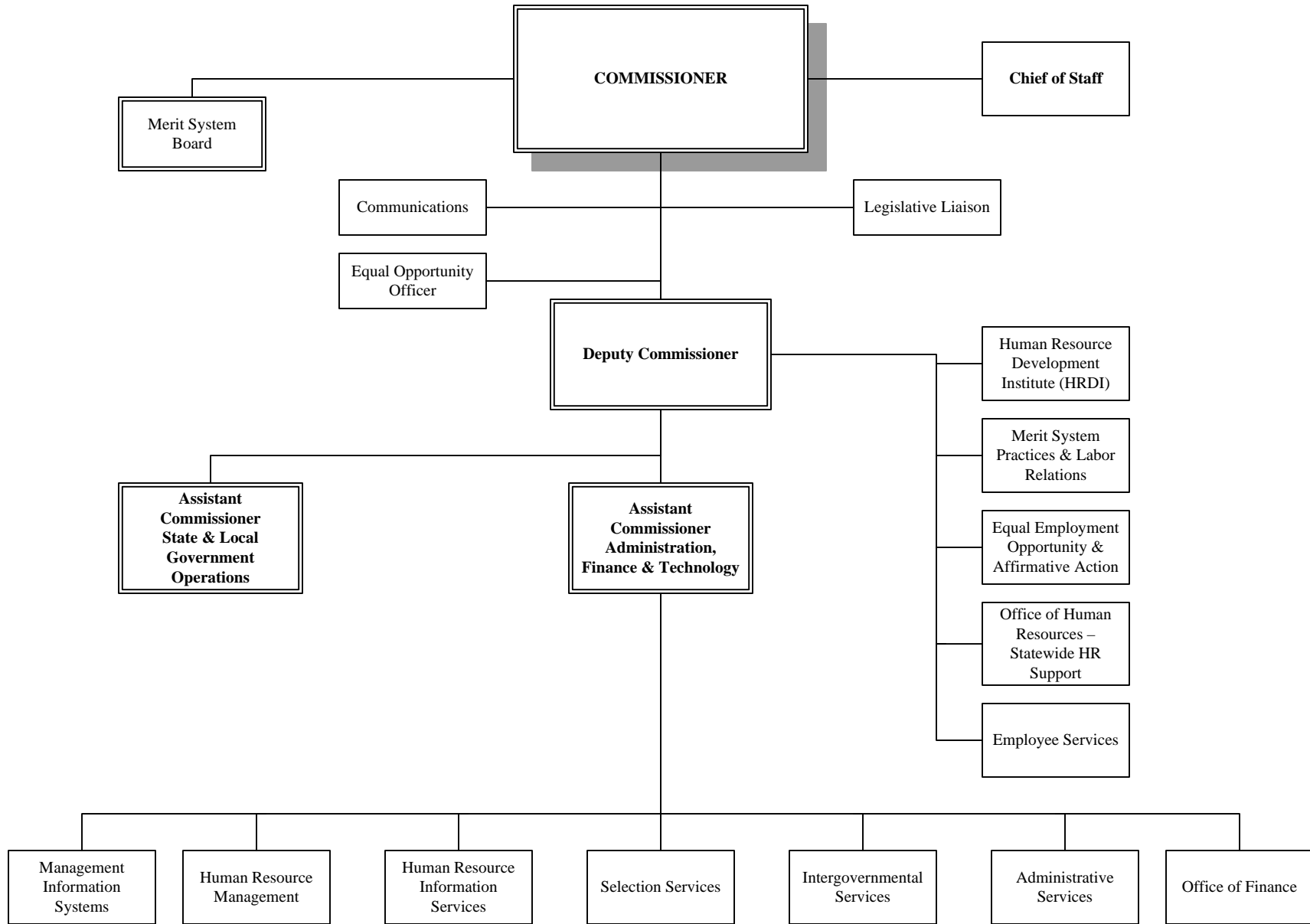
Victims of Crime Compensation Board

Juvenile Justice Commission

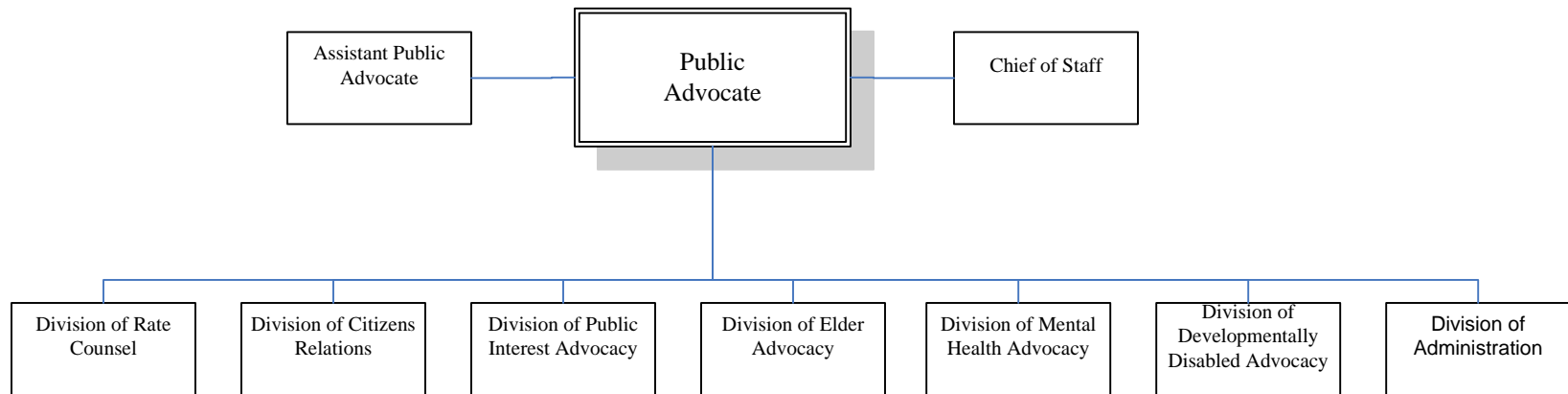
MILITARY AND VETERANS' AFFAIRS



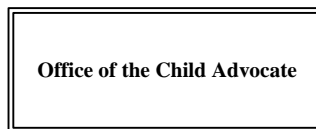
PERSONNEL



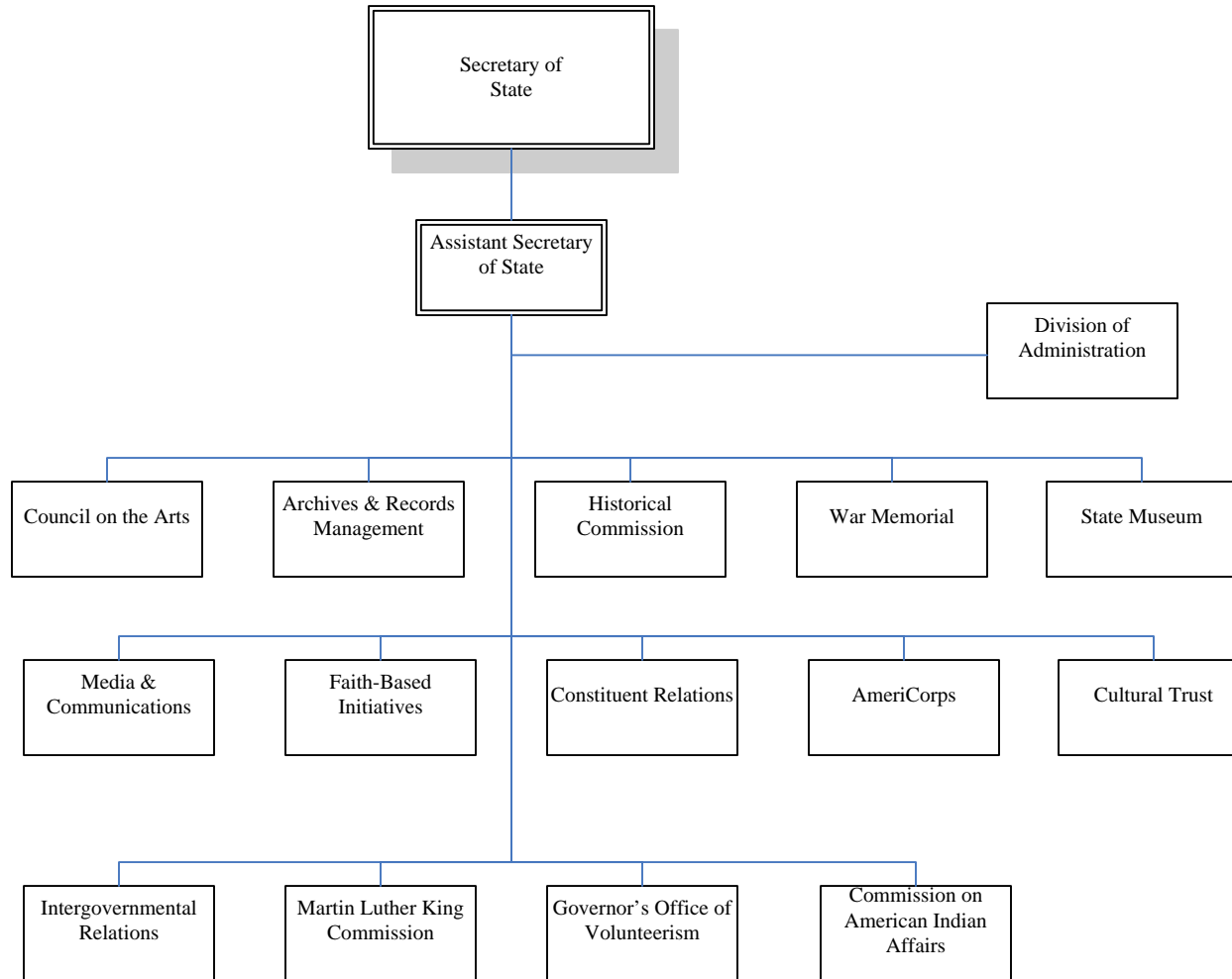
PUBLIC ADVOCATE



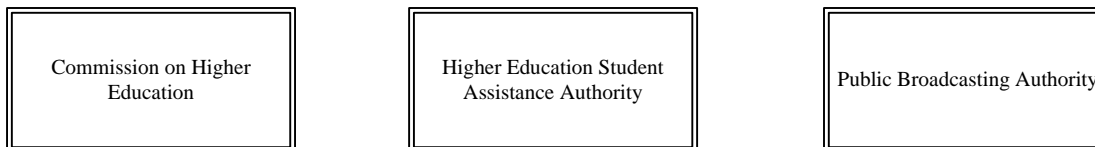
In-But-Not-Of Agencies



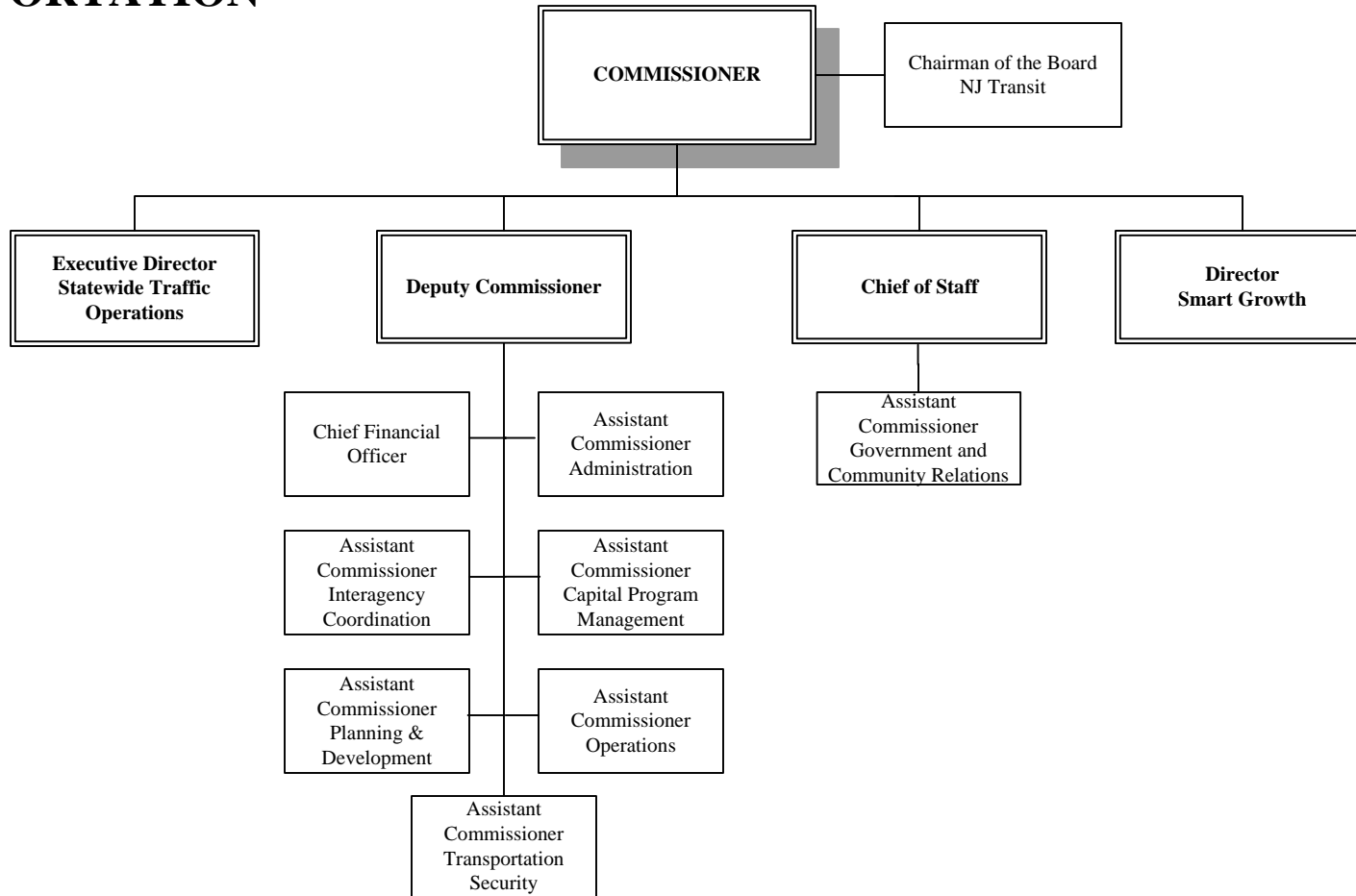
STATE



In-But-Not-Of Agencies



TRANSPORTATION

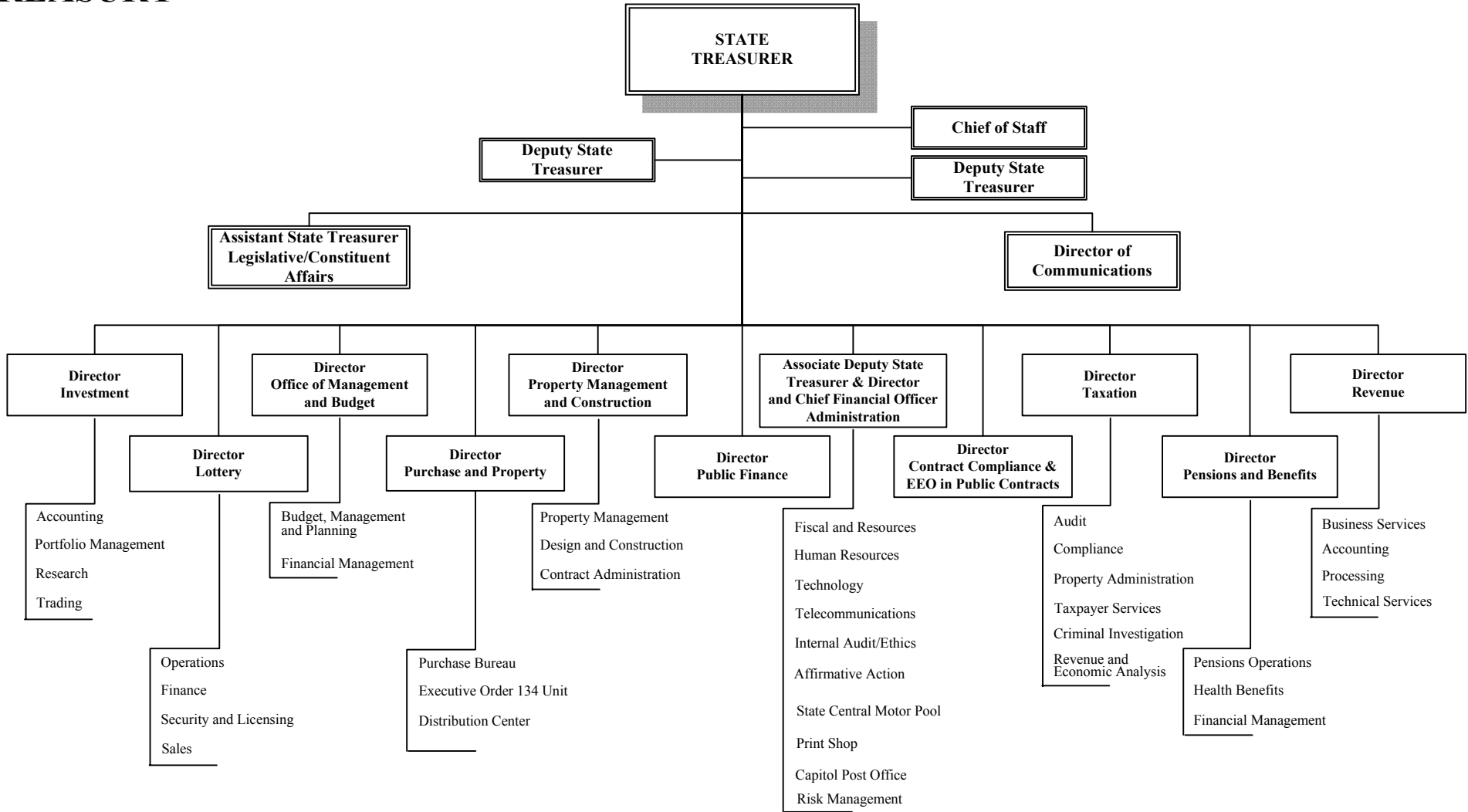


In-But-Not-Of Agencies

New Jersey Motor Vehicle Commission

NJ Transit Corporation

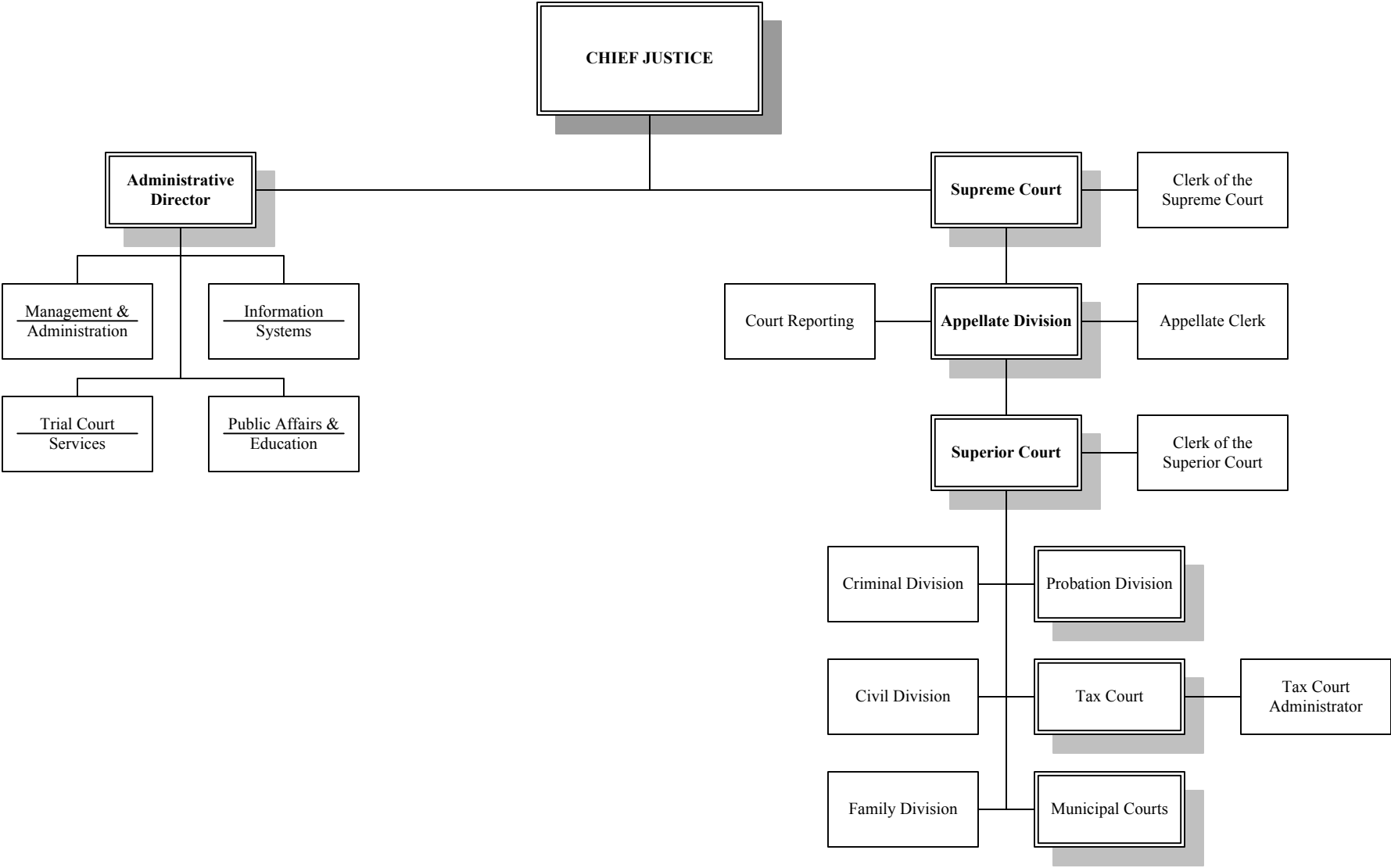
TREASURY



In-But-Not-Of Agencies



THE JUDICIARY



NOTES



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.

WHAT'S NEW IN THE GOVERNOR'S BUDGET

The Fiscal 2007 Governor's Budget Message continues changes made in format, content and design that are meant to improve its usefulness as a communications device and to ease the reader's ability to navigate the document. Specifically, the document includes the following changes:

Upgraded Index

Typically, readers who are interested in information on a particular program or organization turn to the index. Heretofore, the Budget index was limited to accounts totaling \$10 million or more, as well as major areas of spending such as departments, divisions, programs, and fund categories. In the Fiscal 2007 Budget, the index has been expanded to include entries for:

- All special revenue funds, trust funds, and capital project funds, including their analogous appropriations and budget language;
- All accounts valued at \$3 million or more (i.e., threshold reduced from previous \$10 million);
- Re-ordered index titles to place the most likely object of a reader's search at the front (e.g., "Pharmacy Services, Consulting");
- Programs mentioned in previous Budget-in-Briefs but not in the index, as well as common program terms that differ from the title of corresponding appropriations (e.g., Charity Care).

Organization Charts

A series of high-level organization charts are included in the front this document not only for the major programs operated by the seventeen departments but also the existence of "in-but-not-of" agencies that are housed within that organization for display purposes. These charts immediately precede this Reader's Guide.

Enhanced 911

Similar to the existing charts depicting the potential use of revenues from the Lottery or the Casino Revenue Fund, a new display has been added to the Appendix identifying the 911 Technology and Homeland Security programs that are eligible to be supported from the Enhanced 911 surcharge originally implemented in fiscal 2005. This summary chart can be found in the Appendix of this document.

Besides providing a context for key budget decisions, these changes are designed to quickly pinpoint desired information, clarify how major services are organized, and improve the transparency of the document.

THE STATE BUDGET PROCESS

The current budget process, the Integrated Planning and Budgeting Process, was first implemented for the production of the fiscal year 1990 – 1991 State 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 budget process usually begins during the month of April, some 15 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 budgets, including any desired reallocations, should be arranged in the coming budget year. Any recommended changes, later identified in 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 by OMB to each State agency in September, including preliminary budget targets.

Agencies prepare planning documents that 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. OMB reviews the planning documents with the agencies from November through mid January, when 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.

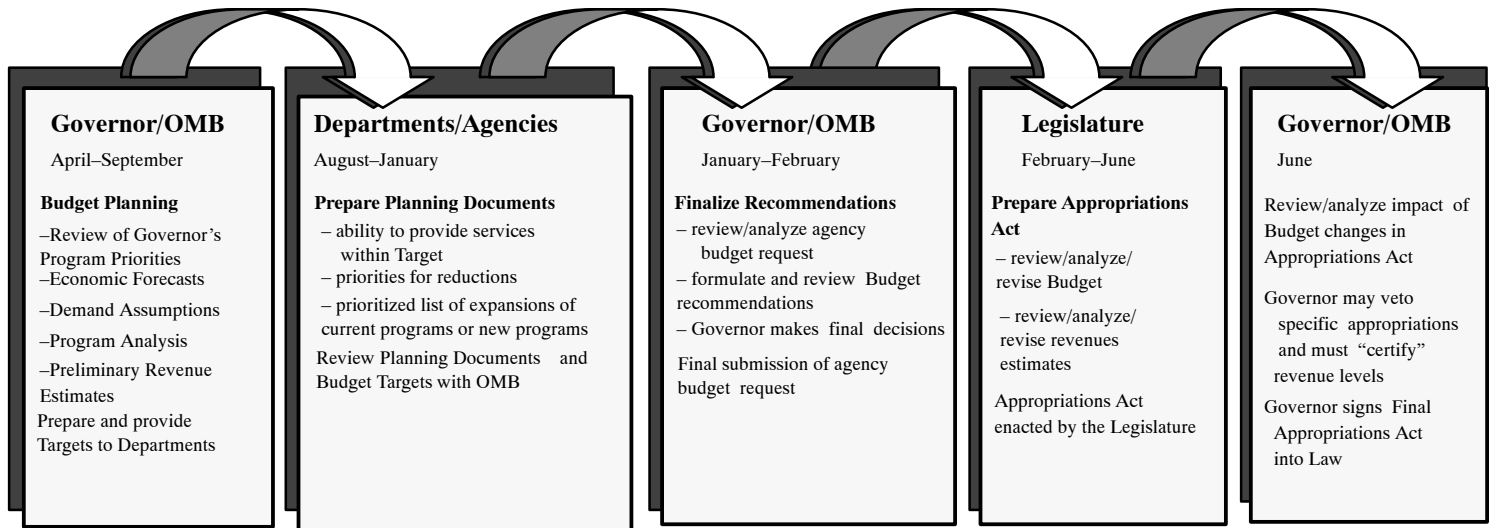
The planning portion of the budget process culminates in the final submission of the agency budget request to OMB in February which is forwarded to the Legislature. The Budget Message, representing the Governor's recommendations on how revenues should be allocated, is delivered to the Legislature on or before February 24th of each year (unless superceded by legislation). From year to year, the Budget is the single most important policy statement that the Governor makes as it allocates the State's resources for programs and services.

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 effect 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 as an Appropriations Act 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 that 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 tables that 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

Major Increases and Decreases of State Appropriations

Also included within the summaries of appropriations section is the *Budget Highlights*, a narrative that discusses the major programmatic and operational impact of the budget proposals. Additional summaries, charts, and graphs depicting significant programmatic or fiscal trends included at the end of this section.

3. The ***Summaries of Revenues, Expenditures and Fund Balances Section*** provides an overview of the economy, 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 (i.e. income tax, sales tax, and corporation tax), and provide year-to-year comparisons and projections for the fiscal 2007. Most of the schedules and exhibits in this section are displayed by fund. For the purposes of State financial accounting, funds are accounting entities that segregate financial resources according to the purposes for which they may be used.

READER'S GUIDE

This section also includes four “major schedules” that 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), provides 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 which is then organized by Governmental Branch, and sorted in alphabetical order by agencies or executive departments. The major subdivisions of this section are summarized below:

Department and Branch Recommendations (Direct State Services, Grants–In–Aid, State Aid, and Capital Construction)

Debt Service

General and Federal Fund Language Provisions

Revolving Funds

Appendices

- a. **Budget Recommendations Overview**

For fiscal 2007, the Budget displays all of a department’s non–debt appropriations in a single subdivision of the document. The separate subdivisions for Direct State Services (i.e. funds to support operations), Grants–In–Aid, State Aid, and Capital Construction are illustrated 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 effecting State Aid, the Casino Revenue Fund, etc., are presented in new summaries in the *Summaries of Appropriations* section.

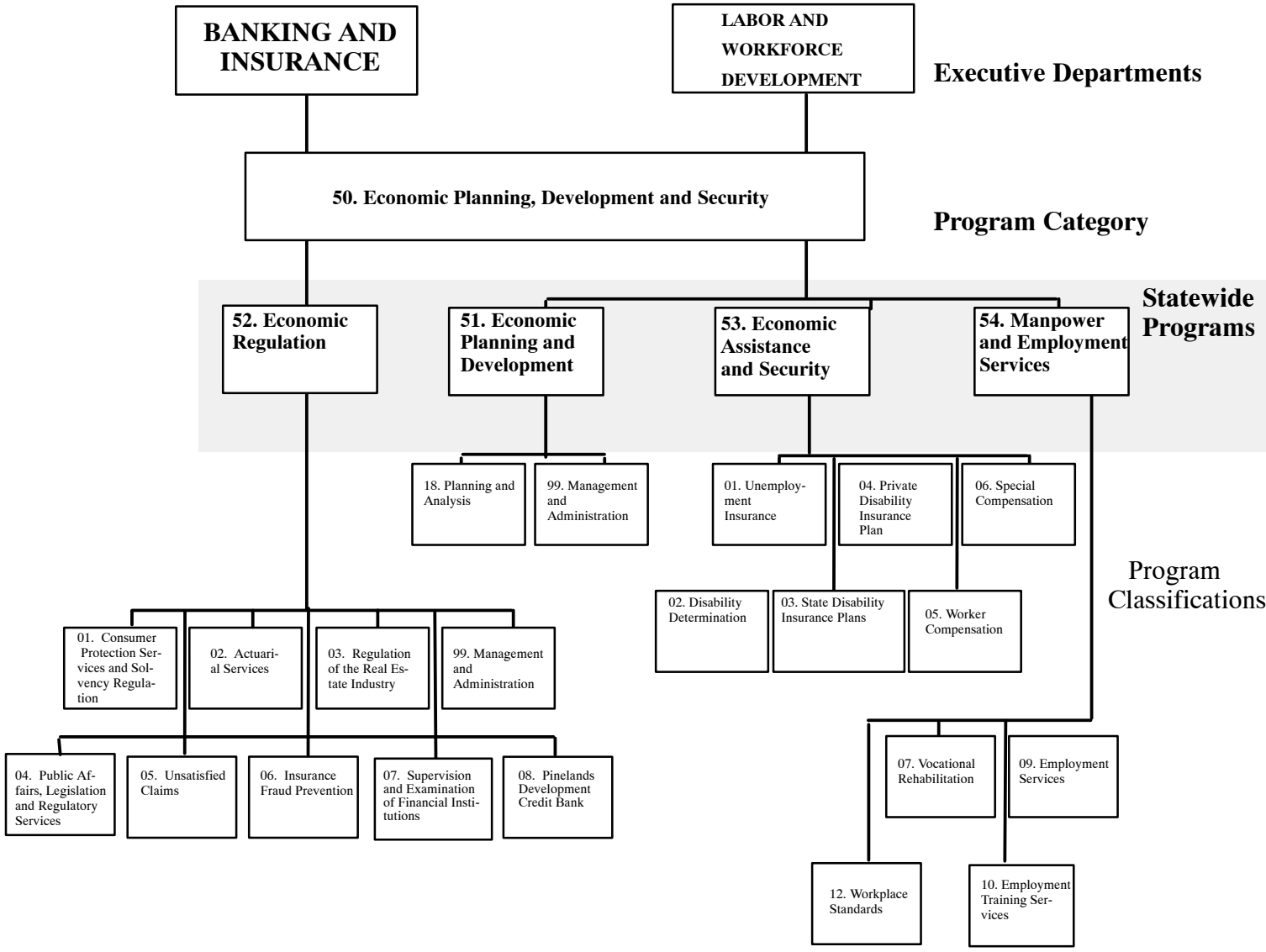
This consolidated presentation provides readers with a comprehensive view of all of a department’s operations, across all spending categories and funds and provides New Jersey citizens with a better understanding of the relationships between all of the recommendations affecting departmental programs.

Each of the subsections of the *Budget Recommendation* section follows 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 in the Department of Environmental Protection include Water Supply Management, Forestry Management, and Shellfish and Marine Fisheries Management. 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.

For example, in the Department of Labor and Workforce Development 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.



READER'S GUIDE

b. Budget Recommendations – Descriptions of Subdivisions

Detailed descriptions of the subdivisions of the *Budget Recommendations Section* are provided below:

- i. *Department and Branch Recommendations* is the subdivision of the Budget that relates to the appropriations and expenditures that support operations of State agencies, grants to individuals, and aid to local government jurisdictions. 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 by funding source and to the program classification, and include information on the current year, two prior years, and a projection for the budget request year.

The appropriations data 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 represents funding to support the administration and direct operation 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 for 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 New Jersey 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 subdivision 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.

- ii. The *Debt Service* subdivision 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.
- iii. The *Language Provisions* subdivision 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.

- iv. *Revolving and Other Funds* is the subdivision 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, 2005, presented in accordance with generally accepted accounting principles, as well as estimated amounts for fiscal 2006 and fiscal 2007.

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 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.

THIS PAGE INTENTIONALLY LEFT BLANK

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 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Criminal Justice				
Complaints, Inquiries, Other Matters (Closed)	3,343	5,571	6,000	6,000
PERSONNEL DATA				
Position Data				
State Supported	359	368	354	424

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
22,507	4,646	712	27,865	27,121	Criminal Justice	09	21,601	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	TOTAL STATE APPROPRIATIONS				<u>—</u>
Federal Funds									
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	Total Federal Funds		42,574	33,350	33,350
All Other Funds									
—	1,136	—	—	—	Criminal Justice	09	34,850	34,760	34,760
—	16,125 ^R	1,975	19,236	8,583	Total All Other Funds		34,850	34,760	34,760
—	17,261	1,975	19,236	8,583	GRAND TOTAL				99,115
83,162	36,393	2,536	127,091	68,507					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 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations — Direct State Services – General Fund

The unexpended balance at the end of the preceding fiscal year in the Victim Witness Advocacy Fund account, is appropriated for the same purposes 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 2005 as enacted by the Legislature on July 1, 2004. 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 2005.

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 2005.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

12. LAW ENFORCEMENT

OBJECTIVES

1. To provide statewide law enforcement services.

PROGRAM CLASSIFICATIONS

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

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Criminal Justice				
Complaints, Inquiries, Other Matters (Closed)	6,027	6,689	7,000	7,000
PERSONNEL DATA				
Position Data				
State Supported	3,158	3,236	3,216	3,387

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
17,559	4,646	682	22,887	22,143	09	18,091	23,691	23,691
17,559	4,646	682	22,887	22,143		18,091^(a)	23,691	23,691
Total Direct State Services								
Distribution by Fund and Object								
Personal Services:								
152,359	5,514 ^R	3,315	161,188	144,517		142,686	154,537	154,537
152,359	5,514	3,315	161,188	144,517		142,686	154,537	154,537
Total Personal Services								
GRANTS-IN-AID								
Distribution by Fund and Program								
—	—	—	—	—	09	—	1,000	1,000
Total Grants-in-Aid								
Distribution by Fund and Object								
—	—	—	—	—	09	—	1,000	1,000
STATE AID								
Distribution by Fund and Program								
4,948	—	30	4,978	4,978	09	3,600	3,600	3,600
4,948	—	30	4,978	4,978		3,600	3,600	3,600
Total State Aid								
Distribution by Fund and Object								
4,948	—	30	4,978	4,978	09	3,600	3,600	3,600
CAPITAL CONSTRUCTION								
Distribution by Fund and Program								
1,053	1,177	(14)	2,216	665	06	7,425	15,741	5,831
1,053	1,177	(14)	2,516	665		7,425	15,741	5,831
Total Capital Construction								
Distribution by Fund and Object								
1,053	1,177	(14)	2,516	665	11	7,425	15,741	5,831
218,368	21,359	3,992	243,719	236,439		243,975	274,046	264,136
Grand Total State Appropriation								
OTHER RELATED APPROPRIATIONS								
Federal Funds								
59,655	14,486	(151)	73,990	31,803	09	42,574	33,350	33,350
59,655	14,486	(151)	73,990	31,803		42,574	33,350	33,350
Total Federal Funds								
All Other Funds								
—	1,136	1,975	19,236	8,583	09	34,850	34,760	34,760
—	17,261	1,975	19,236	8,583		34,850	34,760	34,760
295,785	108,360	21,821	425,966	347,051		403,717	428,317	418,407
GRAND TOTAL ALL FUNDS								

Notes — Direct State Services — General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations — Direct State Services — General Fund

The unexpended balance at the end of the preceeding fiscal year in the Victim Witness Advocacy Fund account, is appropriated for the same purpose.

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.

READER'S GUIDE

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 that 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 interdepartmental appropriations, and other budgetary adjustments.

ALL OTHER FUNDS — Revenues, other than Federal, that 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.

ALL OTHER POSITION — A position specifically approved and funded by non-state, non-federal sources in a salary object account.

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.

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 and interfund transfers.

ANTICIPATED REVENUE — That portion of estimated revenues to be realized in any fiscal year that 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 for a particular fiscal year.

APPROPRIATIONS ACT — The Act passed by the New Jersey Legislature to appropriate, on an annual basis, the resources of the State for state operations, 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 resources available at the start of a state fiscal year that are carried over from the prior fiscal 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.

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

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 that constitute the traditional budget cycle: (1) central and agency planning, (2) agency/executive preparation, (3) legislative review, and (4) execution and evaluation.

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.
4. Any addition or improvement that is \$50,000 or more.

CAPITAL PROJECT FUNDS — Account for financial resources for the acquisition, construction, or renovation 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 taxes imposed on the casinos and other related activities. 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.

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.

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 that 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.

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

GLOSSARY

ENDING BALANCE — The amount of funds remaining in an account or fund 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 collected 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 appropriation account in which expenditure transactions are recorded, normally termed an object account.

FEDERAL POSITION — A position specifically approved and funded by Federal Funds in a salary object account.

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 that 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 accounting 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:

1. Benefits to which the recipient is entitled by law or regulation.
2. Services for which the State has primary responsibility.
3. Subsidies and provision of services for which the State has no responsibility, but which it elects to provide.

ITEM OF APPROPRIATION — 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, Capital Construction or Debt Service line items.

INTERDEPARTMENTAL 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 or 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, department or in the General Provisions section, that 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 unexpended 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 that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

LINE OF CREDIT — The State's line of credit program, which was first implemented in 1995, provides the State with competitively bid, low interest cost funding for the procurement of the State's short term (3 yrs) equipment needs, specifically computers, furniture, and vehicles.

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, Capital Construction or Debt Service 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.

MATCHING FUNDS — Provisions in a grant agreement that require 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 — Tangible consumable items used for operations but not for the maintenance of machinery or equipment.

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 — Part of the chart of accounts to classify articles purchased or services obtained.

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 that 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 that 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.

GLOSSARY

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, that 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 individuals, counties, municipalities, and school districts.

REAPPROPRIATION — The appropriation in any fiscal year of funds remaining unexpended at the end of the preceding fiscal year that are specifically appropriated in the succeeding 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 that 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 a program classification to which 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 that 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 — The cost of purchased services that are primarily non-personal or of a contract nature under which no employer-employee relationship is established.

SPECIAL PURPOSE APPROPRIATION — A type of appropriation that 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 — Funds used to account for resources legally restricted to expenditure for specified purposes in accordance with enabling legislation.

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 in carrying out activities that are the responsibility of the local unit.
 - c. 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.

STATE APPROPRIATIONS LIMITATION ACT — The Act that 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 SUPPORTED POSITION — A position specifically approved and funded by a State appropriation in a salary object account.

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 that 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.)

SURPLUS REVENUE 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.(Rainy Day Fund)

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

TRUST AND AGENCY FUNDS — Funds 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.

NOTES



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

(thousands of dollars)

Undesignated fund balance, July 1, 2006	514,628	
Revenues anticipated	18,504,392	
Total Resources		19,019,020

Recommendations

Direct State Services	6,253,569	
Grants-in-Aid	8,563,099	
State Aid	2,195,046	
Capital Construction	1,274,893	
Debt Service	432,785	
Total Recommendations		18,719,392

Undesignated fund balance, June 30, 2007		299,628
--	--	---------

SURPLUS REVENUE FUND

Resources

Undesignated fund balance, July 1, 2006	300,372	
Total Resources		300,372

Undesignated fund balance, June 30, 2007		300,372
--	--	---------

PROPERTY TAX RELIEF FUND

Resources

Undesignated fund balance, July 1, 2006	—	
Revenues anticipated	11,615,000	
Total Resources		11,615,000

Recommendations

Grants-in-Aid	1,340,188	
State Aid	10,274,812	
Total Recommendations		11,615,000

Undesignated fund balance, June 30, 2007		—
--	--	---

GUBERNATORIAL ELECTIONS FUND

Resources

Undesignated fund balance, July 1, 2006	—	
Revenues anticipated	700	
Total Resources		700

Recommendations

Public Financing of Elections		—
Total Recommendations		—

Undesignated fund balance, June 30, 2007		700
--	--	-----

CASINO CONTROL FUND

Resources

Undesignated fund balance, July 1, 2006	8,527	
Revenues anticipated	63,512	
Total Resources		72,039

Recommendations

Regulation of Casino Gambling		72,039
-------------------------------------	--	--------

Undesignated fund balance, June 30, 2007		—
--	--	---

CASINO REVENUE FUND

Resources

Undesignated fund balance, July 1, 2006	—	
Revenues anticipated	468,087	
Total Resources		468,087

Recommendations

Programs for senior citizens and handicapped persons		468,087
--	--	---------

Undesignated fund balance, June 30, 2007		—
--	--	---

NOTES

BUDGET HIGHLIGHTS

OVERVIEW

Governor Jon S. Corzine's proposed Fiscal 2007 Budget seeks to restore fiscal integrity to the State of New Jersey. This \$30.9 billion Budget is an important first step in a multi-year process to reestablish prudent fiscal management. A fundamental principle reflected throughout this Budget is that we, as a State, must pay the bills for the current operations of State government. We cannot continue to defer the costs of our decisions to future generations, or even until next year. This simple practice of matching current expenditures with current revenues has been missing from State budgets for too long.

This Budget exhibits a strong sense of fiscal discipline by matching ongoing spending with ongoing resources in a realistic manner. This Budget is a fiscal plan that makes hard choices in a way that is responsible and sustainable into the future.

Absent the tough choices proposed in this Budget, the State's spending would have grown in the coming fiscal year to approximately \$34 billion, or nearly a 21% increase from this year's original total appropriation. Inclusive of full funding of pension obligations and the Governor's commitment to restore the Property Tax rebates to 2004 levels, that growth in expenditures and requested programs would have exceeded the growth in resources by over \$4.8 billion. Simply stated, we cannot afford that. Accordingly, this proposed Budget addresses that gap through a combination of program and spending reductions, constrained growth and selected revenue enhancements.

Some of the major highlights of this proposed Budget include:

- Achieving balance through a greater reliance on spending reductions and constraining growth (\$3.0 billion) than revenue enhancements (\$1.8 billion);

- Reduction of more than 1,000 staff positions with accompanying savings of \$54 million through a rigorous hiring freeze, administrative efficiencies and responsible reorganization of select government functions. Limiting the filling of attrited vacancies will yield opportunities to not only control government growth but also to do more with less by enhancing management efficiencies and streamlining services;
- Creating a new Office of Economic Growth to coordinate the actions of State government designed to grow the economy and create jobs. It also will work closely with the State's business, labor, and community leaders and local and county economic officials;
- Creating, by Executive Order, a new Office of Homeland Security and Preparedness within the Department of Law and Public Safety to coordinate security programs across all levels of government and to oversee the distribution of related State and federal funds;
- Creating a new Department of Children and Families, focusing attention on child welfare and related issues;
- Providing Tax Relief for Lower Income Working Families;
- Use of non-recurring resources for ongoing spending is limited to approximately \$500 million, of which nearly half is attributable to increased current year surplus achieved through restrained spending. This amount represents only 18% of the average one-time revenue used over the past four fiscal years and is less than 2% of the total State appropriations proposed in the Fiscal 2007 State Budget;

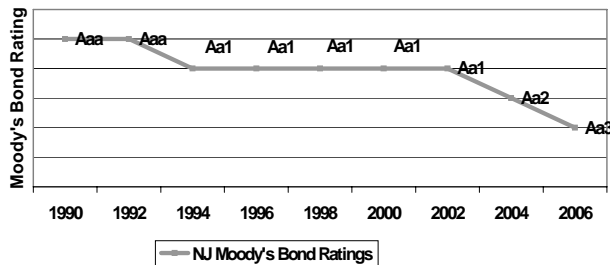
SUMMARIES OF APPROPRIATIONS

- Proposing a one percentage point increase in the State Sales Tax and broadening of its base in order to provide recurring revenue stability in the Budget;
- Maximizing federal revenues and reimbursements;
- Targeting for elimination waste, fraud and abuse of taxpayer dollars;
- Investing limited resources to protect and increase opportunities for New Jersey's most vulnerable citizens. These initiatives are responsibly limited to a total of \$50 million in new spending, or approximately two-tenths of 1% of the entire Budget;
- Revenues realized from one-time sales of capital assets will not be used to fund ongoing expenses. The proposed investing of \$80 million on one-time, long-overdue capital improvement projects that will improve the quality of life for the people of New Jersey follows this principle.

Fiscal Solvency: Defining the Problem

New Jersey, in only 20 years, has gone from being a financial powerhouse, characterized by strong job growth and consistent budget surpluses, to having one of the largest structural deficits of any state in the country. As noted on the chart below, the State's bond rating has been in steady decline since 1992, when it last held triple A status. New Jersey is one of only 9 states whose bond ratings have been downgraded by Moody's Investors Service since the recession of 2001 and have not recovered.

New Jersey: Moody's Bond Ratings Since 1990



Moody's has downgraded NJ's bond ratings three times since 1992, when NJ had the highest rating--Aaa.

Last year, while states across the U.S. increased their budgets by an average of 6.3%, New Jersey was one of only five states to enact a budget that was essentially flat against the previous year's Budget. However, that was not nearly enough. With state budgets at their healthiest levels in five years, many other states have recently decided to expand services or reduce taxes. Yet New Jersey continues to struggle with a substantial shortfall. This structural problem is not of recent vintage, but rather has persisted on a bipartisan basis across multiple Administrations. Given New Jersey's high per capita income and relative wealth, the obvious question is: How did we let this happen?

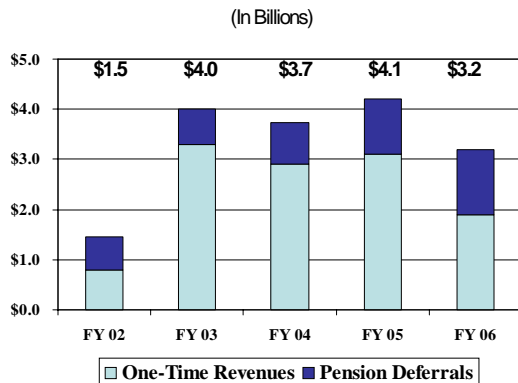
Past budget messages dutifully quoted the rhetoric of fiscal restraint and "living within our means." However the difficult decisions often gave way to fiscal gimmicks, over-reliance on non-recurring revenues, and a conscious strategy to defer costs to the future. Gimmicks ranged from the convenient, such as slipping school aid or property tax relief costs into the previous or following fiscal year, to the persistent practice of selling long-term bonds to cover short-term operating costs.

Between fiscal 2002 and fiscal 2006 *alone*, the use of non-recurring revenue and cost deferrals totaled more than \$16 billion including, most prominently:

- Delayed pension contributions (\$4.5 billion);
- Securitization of tobacco settlement, cigarette tax and motor vehicle revenues (\$4.7 billion total);
- Ongoing diversions from the Unemployment Insurance Fund (\$1.6 billion).

SUMMARIES OF APPROPRIATIONS

NJ's Use of One-Time Revenues & Pension Contribution Deferrals FY 2002 to FY 2006

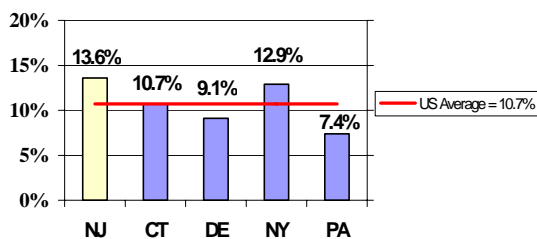


NJ has utilized more than \$16 billion in one-time revenues & pension contribution deferrals over the last five years.

One-time approaches to budgeting mask a simple, critical fact: the State's rate of spending far exceeds its ongoing revenue, which is the core of New Jersey's structural imbalance.

Additionally, budget control has been less than adequate. For example, in fiscal 2005, New Jersey's major tax revenue increased by 13.6% over the previous year, a rate higher than any of its neighbors and above the national average of 10.7%. Unlike other states, however, this increase in revenue did not lead to a large State surplus.

NJ's Increase in Tax Revenues vs. Neighboring States and U.S. Average* FY 2004 - FY 2005



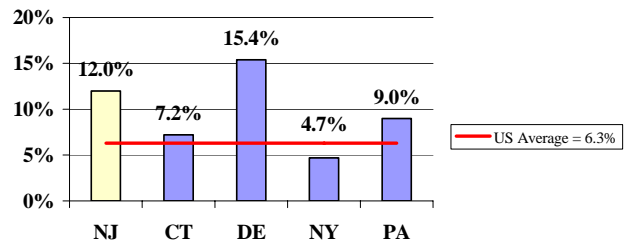
*Nicholas W. Jenny, "Solid Footing for State Finances," Nelson A. Rockefeller Institute of Government State Fiscal Brief No. 75, March 2006, Table 3.

In FY 2005, NJ's tax revenue grew faster than in all neighboring states and the U.S. average.

That is because spending of State resources in New Jersey during that year increased by 12%, nearly double the national average of 6.3%, and would have been even higher if the State's pension

obligations had been properly funded and recognized.

State Resources: NJ's Spending Increase vs. Neighboring States and U.S. Average* FY 2004 - FY 2005

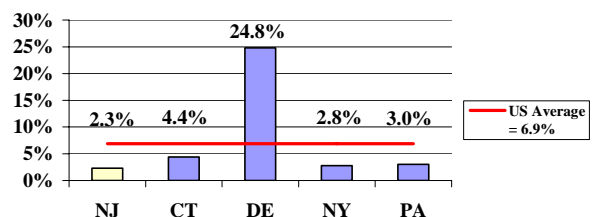


*This spending is from general funds & other state funds, excluding bonds. National Association of State Budget Officers, State Expenditures Report 2004, Table 2.

In FY 2005, NJ's spending increase was higher than all but one of its neighboring states, and was almost double the U.S. average.

The result is that, in fiscal 2005, New Jersey ranked 46th among all the states in the size of its State Budget surplus as a percentage of total State spending. As noted on the chart below, New Jersey ranked lower than all of its neighboring states in this measure. Unfortunately, since fiscal 2002, New Jersey has consistently ranked near the bottom of states, never rising higher than 35th in the country.

NJ's FY 2005 Budget Surplus as Percent of Its Spending vs. Neighboring States & U.S. Average*



* National Association of State Budget Officers, Fiscal Survey of States: December 2005, Table A-12.

In FY 2005, NJ's Budget surplus as a % of its spending ranked 46th among all states.

Over time, the degree of flexibility in the State Budget has decreased sharply as cost growth attributable to mandated programs (e.g., Medicaid), fixed costs (e.g., Employee Benefits),

SUMMARIES OF APPROPRIATIONS

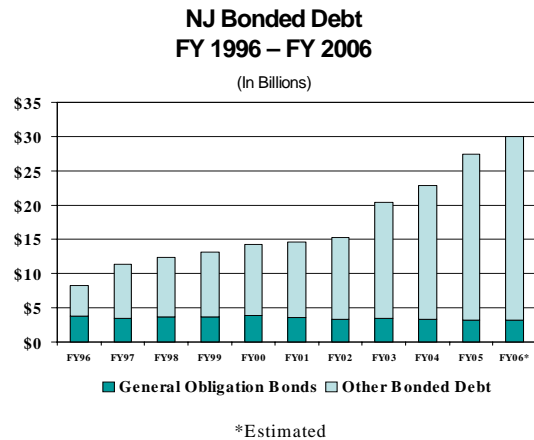
contractual commitments (e.g., collective bargaining settlements), court decisions (e.g., Abbott school districts, Child Welfare Reform), School Aid, and debt service have grown. These items now represent at least \$18.4 billion or approximately 60% of the State Budget.

Constitutional and statutory dedications have also increased budget rigidity, as they elevate certain spending above other competing priorities. Examples include Neighborhood Preservation, Shore Protection, and Open Space Preservation which, though laudable in their goals, were typically supported through the dedication of *existing* revenues, thus widening the structural deficit. *Excluding* the \$12 billion constitutionally dedicated from the income tax for property tax relief, program dedications presently lay claim to an additional \$4 billion in State revenue, or 13% of total resources. When added to the non-controllable programs described above, *nearly 75% of State resources are spoken for in a typical Budget.*

Our increased appetite for debt presents a further problem. In the past ten years alone, New Jersey has more than tripled its bonded indebtedness, from \$8.1 billion in fiscal 1996 to \$30 billion in fiscal 2006. As a result, debt service grew by 56% (\$0.9 billion) from fiscal 2003 (\$1.6 billion) to fiscal 2007 (\$2.5 billion), far outpacing base General Fund revenue growth, which increased 22% during that period. Debt Service, as a percent of base State revenues, increased from 10.5% in fiscal 2003 to 14% in fiscal 2007. High profile, high cost programs often were enacted into law, with no distinct revenue source to carry the debt service. Instead, the General Fund typically assumed the burden. Where a new revenue source *was* identified, it was often far less than required. In the case of School Construction, which alone accounted for \$8.6 billion in authorized debt, revenue dedicated from the State's cigarette tax covers only \$50 million (13%) of the estimated \$342 million in debt service projected for fiscal 2007. To make matters worse, savings from debt refinancing were often used to plug holes in the State Budget, which was the case with approximately \$430 million of one-time capital relinquished through a general obligation restructuring implemented in fiscal 2006 and the

deferral of debt payments on cigarette and motor vehicle securitizations.

We intend to continue to seek bond restructuring opportunities to reduce the State's overall borrowing costs. However, we will not use those benefits to meet our operating expenditure needs.



NJ's bonded debt has more than tripled over the last decade.

With little room for error, budget planning becomes paramount. However, the budget process in New Jersey has historically focused on the coming year, providing little in the way of multi-year planning to rationalize a larger context for funding decisions. In the absence of a formal long-range financial plan, the structural imbalance can remain hidden or obscured, allowing discretionary spending to continue unabated.

There is no reason to think, absent the application of some tough medicine, that this structural gap is likely to shrink on its own. In short, we will not simply "grow our way" out of this situation, as some would hope. Unconstrained by the actions proposed in this Budget, expenditures were projected to grow at approximately 21% above this year's original appropriation in fiscal 2007, 7% in fiscal 2008, and a similar percentage in fiscal 2009 and 2010. Those projected rates of growth exceed the average rate of growth of our baseline revenues since fiscal 2002.

Indeed, even with a continuation of the spending reductions and revenue enhancements proposed for fiscal 2007, *the current projection for the Fiscal 2008 Budget shows a budget gap of \$1.5 billion.*

Now is the time for *accountability*. Our objective is not to lay blame but to confront reality and honestly address the future. New Jersey residents deserve a hard look at the facts. They require their leaders to consider the options and make difficult decisions as to how we can correct this situation. This Budget begins to accomplish that.

Fiscal 2007 Budget: Achieving Fiscal Balance

This Budget proposes \$30.9 billion in State appropriations, an increase of \$2.6 billion or 9.2% above the \$28.3 billion adjusted appropriation for fiscal 2006. The adjusted appropriation does not include \$400 million in carried-forward spending. When this item is taken into account, the State's current spending in fiscal 2006 amounts to \$28.7 billion. For the most part, this increase is not the result of more services or aid, but rather reflects the true cost of State services already being provided and the elimination of one-time resources in this Budget.

In arriving at that recommendation, it was necessary to solve a structural deficit of approximately \$4.8 billion (17%) when compared to the original Fiscal 2006 Budget. This shortfall includes resources necessary to meet growth in existing programs, 100% funding of the State's pension contribution, a restoration of the homestead rebate to 2004 levels plus 10%, and Governor Corzine's request for \$50 million in critical new programs.

To achieve fiscal balance, the Governor is recommending a total of \$3.0 billion in spending reductions, growth restraint, funding of pensions at the 70% level, an increase of only 10% from the level of the 2005 homestead rebate, and a package of revenue enhancements that will raise \$1.8 billion.

With a deficit so deep, the decisions were often anguishing. As two prime examples, formula-based School Aid, exclusive of pension growth for teachers, is generally flat-funded against the current year budget, as are the major Municipal Aid programs (Consolidated Municipal Property Tax Relief Aid and Energy Tax Receipts). The

depth of this fiscal dilemma simply afforded no other choice.

To determine the best course, several key, guiding principles were applied:

- Constrain the rate of expenditure growth, which had become unsustainable;
- Match recurring expenses with recurring revenues to impose fiscal discipline;
- Spread the fiscal pain as equitably as possible while protecting vulnerable client populations and essential services;
- Aggressively pursue cost saving opportunities, targeting waste, fraud, and abuse, and maximizing federal reimbursements, including program areas where other states have successfully applied efficiencies.

The \$3.0 billion in spending reductions in this Budget may be characterized in three ways: reduced spending growth, cuts in base budget spending, and management efficiencies. Some of the more prominent examples are listed below:

Constrain Spending

- **School Aid and Municipal Aid** are flat funded, exclusive of additional aid for teacher pensions and post-retirement medical benefits;
- **Higher Education (\$122 million):** This Budget does not provide growth for fringe benefits (\$80 million) and salary increases (\$42 million) for senior public colleges;
- **Nursing Homes and Medical Day Care (\$26 million):** Costs will be rebased, however no inflationary adjustment is provided.

Base Spending Reductions

- **Fiscal 2006 Legislative Additions (\$193 million):** Special appropriations for a variety of programs funded by the Legislature in the current fiscal year are eliminated;

SUMMARIES OF APPROPRIATIONS

- **Higher Education (\$117 million):** Reductions of 10% in the State subsidy to senior public institutions (\$89 million), county colleges (\$16 million) and a 50% reduction in aid to independent colleges (\$12 million), all of which will need to seek the same types of cost efficiencies that the State plans to employ.

Efficiencies

- **Prescription Drug Savings (\$145 million):** A series of cost-savings initiatives in pharmaceutical drugs totaling \$145 million, including bulk purchasing and expanded use of generic drugs, will reduce budget growth in programs such as Medicaid, Pharmaceutical Assistance for the Aged and Disabled (PAAD), and the State Health Benefits Program. Rather than purchasing drugs separately, these programs will join together to secure the best price possible. These measures represent wise business practices, many of which have been aggressively employed in other states;
- **Human Services – Shift to Federal (\$118 million):** This initiative in the Department of Human Services shifts eligible State salary costs to available federal funds at the seven State developmental centers by taking advantage of prior year revenue enhancements and projected increases in fiscal 2007 federal revenue (\$112 million), and in the Division of Mental Health Services by claiming federal matching funds for certain administrative expenditures (\$6 million);
- **Fraud Detection (\$55 million):** Enhanced oversight of spending patterns in Medicaid and General Assistance through increased auditing and investigative staff. The base appropriation will be reduced to an amount that more accurately represents the true cost of the program, thus services will not be sacrificed.
- **Abbott District Afterschool/Summer Co-payment (\$30 million):** Families

living in Abbott school districts and earning more than \$60,000 per year will pay part or all of the cost of afterschool and summer child care for three- and four-year-olds.

In addition, a Hospital Provider assessment will generate \$430 million in new revenue, half of which (\$215 million) would go to the General Fund as budget relief. The remaining amount will leverage federal matching funds; therefore, the hospital industry will receive a total of \$430 million, the same value as the tax, in the form of higher Medicaid payments.

On the revenue side, there are base revenues totaling \$29 billion and revenue enhancements of \$1.8 billion. With regard to the latter, the largest recommendation is a one percentage point increase in the State sales tax rate, from the current 6% to 7%. In addition, the application of the Sales Tax would be expanded to capture certain consumer services that, since the inception of the tax in 1967, have come to comprise a large and growing portion of our economy. The full Sales Tax initiative is estimated to raise \$1.4 billion in new revenue annually, accounting for over 70% of the total revenue enhancements proposed for fiscal 2007. Other major revenue initiatives are highlighted below:

Miscellaneous Revenues - State Programs

\$100m	Urban Enterprise Zone Reform - reduce fraud and abuse by requiring qualified businesses to collect the full sales tax on equipment purchases and subsequently seek a rebate from the State;
\$60	Corporation Business Tax (CBT) - surcharge of 2.5%, effective on or after January 1, 2006. (The CBT currently accounts for approximately 8% of total State revenue collections.)
\$50	State Disability Benefit Fund (TDI) - transfer of a portion of the existing balance from this Fund;
\$38	NJ Turnpike Authority – transfer of revenue to offset the Department of Transportation’s operating costs for maintaining State highways;
\$36	Audit and Enforcement Collection;

\$24	Rural Policing – certain localities who request State Police patrol services will reimburse the State for a portion of that cost based on budget language.
------	---

Other Revenue Initiatives

\$80m	Cigarette Tax - increase of 35 cents, from the current \$2.40/pack (of 20) to \$2.75/pack (of 20);
\$17	Realty Transfer Tax - Commercial Property Exceeding \$1 Million – expand existing Realty Transfer Tax surcharge on residential property to include commercial buildings, effective July 1, 2006;
\$17	Surcharge on New Luxury Car Registrations (Value-based) – one-time registration fee of 0.4% on newly-registered vehicles (after June, 2006) applied to two types of vehicles: those with a sticker price of \$45,000 or more and fuel-inefficient vehicles with an EPA rating of less than 15 miles per gallon;
\$12	Water Supply Surcharge - increase of .04 cents/1,000 gallons, dedicated to water supply capital projects;
\$12	Alcoholic Beverage Excise Tax - increase of 5 cents/gallon on beer (i.e., from current 12 cents to 17 cents/gallon), 10 cents/gallon on wine (i.e., from current 70 cents to 80 cents/gallon) and liquor (i.e., from current \$4.40 to \$4.50/gallon), effective July 1, 2006.

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

Fiscal 2006 - Managing the Current Budget

Continuing the trend from last year, the Fiscal 2006 Budget is being managed without mid-year program reductions, although restrictions on statewide hiring and other management efficiency measures have been implemented. Revenues are

slightly above the original estimate that was made at the time of the Appropriations Act, but several supplemental appropriations and funding reallocations are necessary to accommodate additional spending requirements. A number of accounts with under-spending have been identified to accommodate these needs, and those resources, combined with a higher than expected opening balance, will allow fiscal 2006 to close with a prudent fund balance of over \$800 million.

Some of the larger supplemental spending needs projected for fiscal 2006 are summarized below.

- \$92 million – Education Opportunity Aid to Abbott school districts mandated by court decisions and based on final awards;
- \$70 million – Medicaid and a FamilyCare shortfall caused by higher than anticipated enrollments, increased drug costs, and a shift to the General Fund of costs that are no longer supported by the Health Care Subsidy Fund;
- \$66 million – Special Municipal Aid to municipalities facing the most severe fiscal conditions to assist them in recovering from fiscal distress and improving management and financial practices;
- \$33 million – Nursing Homes and Medical Day Care increased utilization costs;
- \$22 million – Reimburse counties for the cost of housing State inmates in county correctional facilities;
- \$17 million – Additional School Aid;
- \$14 million – Snow removal;
- \$13 million – Energy Assistance programs for low-income residents;
- \$12 million – Expansion of court-mandated preschool programs in Abbott school districts.

SUMMARIES OF APPROPRIATIONS

Fiscal Year 2007 Budget Compared to Fiscal Year 2006 Budget				
(in Millions)				
	FY 2006	FY 2007	Change From	
	Adjusted		Budget	FY 2006 - FY 2007
	<u>Appropriation</u>		<u>\$</u>	<u>%</u>
State Aid	11,529	12,505	976	8.5%
Grants-in-Aid	9,423	10,335	912	9.7%
Operating Departments	4,185	4,082	(104)	(2.5%)
Interdepartmental	1,867	2,245	378	20.2%
Capital Construction	1,091	1,275	184	16.8%
Debt Service	169	433	263	155.6%
Total Appropriations	<u>\$28,265</u>	<u>\$30,875</u>	<u>\$2,609</u>	9.2%

When viewed by category of funding, the recommended Fiscal 2007 Budget is allocated as follows:

- \$22.8 billion (74%) is either State Aid (\$12.5 billion, 40.5%) or Grants (\$10.3 billion, 33.5%);
- Direct State Services (DSS) totals \$6.3 billion (20.5%). When adjusted for required increases in the Department of Children and Families and without Interdepartmental, Judiciary, and the Legislature, the DSS recommendation for Executive Branch Departments decreases by approximately \$197 million, or about 4.9%.
- State Aid increases by \$976 million or 8.5%;
- Grants increase by \$912 million or 9.7%;
- General Obligation debt service increases by \$263 million due to restructuring, which provided immediate budget relief in fiscal 2005 and 2006, rather than being scheduled over time.

GOVERNOR'S PRIORITIES

Governor's Priorities

Tax Relief for Lower Income Working Families

Supporting Special Education Needs

Increasing Affordable Housing Opportunities

Investing in Our Youth: Increasing Afterschool Care

Expanding Health Insurance for Children

Fighting Hunger

Reducing Gang-Related Violence

Promoting Women's Health

Addressing Violence Against Women

Children and Families

Economic Growth

Homeland Security

Governor's Priorities - Overview

In slightly more than a decade, New Jersey has gone from an economic powerhouse to financial distress. The severe budget crisis in the State means the Corzine Administration is forced to make tough and painful choices. This Budget compensates for some of the most painful choices by investing limited resources to protect, and increase opportunities for, New Jersey's most vulnerable citizens. These investments include expanding opportunities for affordable housing, eliminating the income tax burden on the lowest paid New Jerseyans, investing in special education to provide relief to schools and families, fighting hunger, improving child welfare, addressing the gang violence that plagues our communities and our homes, and expanding health care for children and low-income women. These choices embrace

the values of equality, opportunity, and fairness for all New Jerseyans.

Tax Relief for Lower Income Working Families

A signature initiative of Governor Corzine's Budget is his proposal to entirely eliminate the income tax burden on 414,000 households, and to significantly reduce the income tax on an additional 200,000 taxpayers. This initiative will help seniors who are working to supplement their Social Security checks, single mothers struggling to balance part-time jobs with child care, college students paying their way through higher education, and men and women who work hard every day, but earn too little to get ahead.

SUMMARIES OF APPROPRIATIONS

Governor Corzine believes strongly that we should mitigate the impact of the spending cuts and taxes in this Budget on the most vulnerable among us. Even those working above the minimum wage have difficulties making ends meet and obtaining financial independence. We must keep those who are struggling to put food on their families' tables and earn enough to pay their monthly rent checks from falling farther into the likelihood of poor health, deficient housing, and other consequences of inadequate resources.

In the effort to break the grip of poverty in our communities, the 100% refundable credit will be given to married couples with total taxable income below \$25,000 and to singles (and married couples filing separately) below \$15,000. A partial credit will be provided to these New Jerseyans as their income rises and they ease into becoming full taxpayers at \$30,000 (married) and \$20,000 (single). With a budget impact estimated at \$105 million per year, this tax relief will help ensure that these families are financially secure.

Supporting Special Education Needs

Federal funding for special education falls dramatically short of federal promises and shortchanges the needs of special education students. When the Individuals with Disabilities Education Act (IDEA) was first established, the federal government promised to pay 40% of the national average per pupil expenditure; however, the federal government has never fully funded IDEA. For fiscal 2007, the federal government proposes to fund just 17% of its obligation. Governor Corzine recognizes this shortfall and seeks to assist school districts in meeting the high costs of special education.

Since 2000, the number of children classified as autistic has more than doubled from 3,300 to 7,400. More specifically, New Jersey appears to be experiencing an increase in the incidence of autism spectrum disorders, which are a group of life-long developmental disabilities characterized by differences in social interaction, communication skills, and behavior. Autism spectrum disorders include autistic disorder, pervasive developmental disorder, and Asperger's disorder.

In New Jersey, many students with autism are currently educated in out-of-district separate public or private programs, which are typically the most expensive special education placements. In 2005, about 40% of students with autism were educated in out-of-district separate public or private programs, compared to 9% of all students with disabilities.

To address these trends and high costs, approximately 140 school districts across the State have started autism programs within their districts. Of those districts, about 50, or 35%, increased the number of autistic programs they provided last year.

The Governor seeks to address some of the immediate needs of school districts that operate or plan to operate in-district programs for students with autism spectrum disorders. This Budget proposes \$15 million for a grant program for districts to help with their planning and start-up costs of these programs. Districts will be able to use these funds for professional development, personnel costs, special education teachers, program coordinators, behavior intervention specialists, parent outreach, transition planning, assistive technology, and similar activities. Multiple districts will be able to apply for the grants jointly if they have plans to collaborate on programs that serve multiple communities.

While proposing this \$15 million in funding to support students with autism spectrum disorders, the Governor also recognizes that school districts face challenges in serving special education students with other needs. This Budget includes \$4.5 million in new grants funding for planning and start-up costs for districts that seek to develop or enhance their special education programs. Many districts are facing high costs to send special education students to out-of-district placements, and they cannot afford the planning and start-up costs for in-district programs in addition to their immediate special education costs. Like the grants to develop capacity for in-district programs for students with autism spectrum disorders, these grants will be available for activities such as professional development, personnel, transition planning, and assistive technology. We intend to encourage cross-district planning so we can begin

an effective and efficient multi-district approach to meeting the needs of this most vulnerable population.

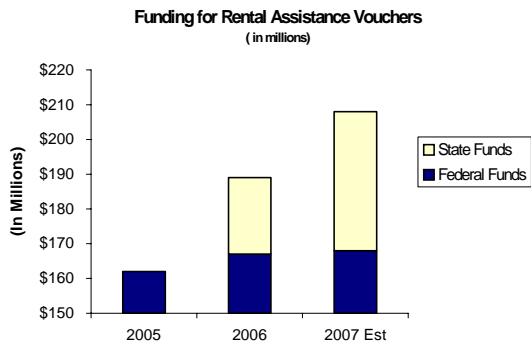
Increasing Affordable Housing Opportunities

Skyrocketing housing prices have contributed to making New Jersey increasingly unaffordable for too many families. The most recent data available from 2004 shows that in New Jersey, 38% of households with a mortgage and more than 47% of all renting households spent more than 30% of their income on housing costs, which is the widely accepted standard for affordability.

To combat this challenge, Governor Corzine is committing to create and preserve 100,000 units of housing that is affordable for low- and middle-income families over the next 10 years.

Increased Funding - Rental Assistance Program

More than 40,000 New Jerseyans are currently on waiting lists for affordable rental housing vouchers. The NJ State Rental Assistance Program (SRAP) was implemented in May 2005, providing a boost to federal Section 8 rental assistance. Governor Corzine proposes increasing State resources for SRAP by \$15 million, including a \$10 million increase in State appropriations and \$5 million in dedicated dollars from the Balanced Housing Fund. This raises total State resources for this program to \$40 million, which will provide rental vouchers to allow an additional 1,500 families to afford decent housing.



With increased State resources, state-funded rental assistance vouchers will almost double, to 4,100 vouchers in FY 2007.

Making Homeownership Affordable

Helping to fulfill the dream of home ownership for New Jerseyans is a means for empowering people while investing in New Jersey’s future. This Administration will work to increase homeownership opportunities for everyone in this State, which in turn allows New Jersey’s residents to make a positive contribution to the economy.

Last year, the State, through the Housing Mortgage and Finance Agency (HMFA), provided 600 first-time homebuyer mortgages. The Corzine Administration proposes to double the amount of first-time homebuyer mortgages provided to 1,200 in fiscal 2007 at no cost to our General Fund. These first-time homebuyer mortgages are necessary investments in New Jersey’s most precious asset: its people.

Investing in our Youth: Increasing Afterschool Care

The hours after school are a vital time for children and youth to experience enriching programs and activities that will improve their academic performance and keep them safe and productive. Afterschool programs provide children and youth with an important alternative to harmful activities, like drinking, drugs, violence, or gang-related activities.

According to a survey commissioned by the Afterschool Alliance, approximately one in four New Jersey children of working families is unsupervised in the afternoons. These “latchkey” children spend an average of nearly seven hours per week unsupervised after school.

The Budget reflects Governor Corzine’s renewed commitment to afterschool activities to address this unmet need. This is also a significant component of the Governor’s gang violence initiative. The proposed Budget would double funding for the New Jersey After 3 program to \$15 million to cover 2,000 more children by the end of the 2006-2007 school year.

With these additional funds comes additional responsibility. New Jersey After 3 is a public-private partnership that awards grants to non-profit

SUMMARIES OF APPROPRIATIONS

organizations to run high-quality afterschool programs at elementary and middle schools. This program is uniquely positioned to leverage private dollars for afterschool care, and this Budget requires that they commit to raising additional private funds to serve even more children.

New Jersey After 3 provides a significant return on investment. Research has shown that every dollar invested in afterschool programs will save taxpayers approximately \$3 in improved school performance, increased future wages, and reduced crime and welfare costs. The benefits from afterschool activities are even greater for at-risk children, who are likely to have repeated problems with crime, drugs, or other challenges; each dollar invested in afterschool programs for an at-risk child has a return of \$8 to \$12. This is an investment New Jersey cannot afford to let pass.

Just as New Jersey After 3 holds its grantees to a high level of accountability, the State intends to hold New Jersey After 3 accountable for serving more children and expanding the pool of resources for afterschool programs through private fundraising. In addition, the Governor would like to see increased coordination between New Jersey After 3 and the other State and non-profit afterschool programs. This increased coordination will help ensure that more children and youth have access to high quality afterschool programs.

Expanding access to afterschool programs is not the Governor's only goal. New Jersey After 3 will also enhance the quality of afterschool programs statewide by working with the Department of Education, the Department of State, and other agencies to integrate more cultural, art, and historical activities and events into afterschool programs. This cultural enrichment will provide unique learning opportunities during the afterschool hours.

Expanding Health Insurance for Children

In addition to being a moral imperative, providing health insurance for children is vital to New Jersey's overall health. Expanding insurance coverage for children increases access to preventive and primary care, thereby improving

health outcomes and school attendance; reducing caretaker absenteeism from work, emergency room visits and charity care costs; and lessens stress and financial difficulties for families. In short, healthier children create healthier families and a healthier New Jersey. That is why Governor Corzine is investing \$5 million in FamilyCare. These funds, together with \$9.3 million of federal funding, will enable New Jersey to cover 50,000 additional children by June 2007.

New Jersey's strong commitment to insuring children dates back to 1998 when it created the NJ KidCare program. New Jersey's investment in KidCare enabled the State to leverage increased federal dollars – on a 65% federal match basis through the State Children's Health Insurance Program (SCHIP) – to help uninsured children access affordable health coverage. When KidCare first began, it provided free to low-cost health insurance for children in families earning up to 200% of the federal poverty level. In 1999, New Jersey strengthened its commitment to children using State-only funding to include children with family income up to 350% of the federal poverty level.

Over time, as KidCare evolved into the NJ FamilyCare program, through the addition of uninsured adults, one thing has remained constant – New Jersey is a national leader, covering nearly 400,000 of New Jersey's most vulnerable children in families who earn less than 133% of the Federal Poverty Level (\$26,600 for a family of four) and an additional 111,000 children in families who earn between 133% and 350% of the Federal Poverty Level (\$70,000 for a family of four). Despite the strengths of this program, however, too many children remain uninsured in New Jersey. Governor Corzine believes we can and will do better.

The 2005 "Family Health Care Coverage Act," sponsored by Senator Joseph Vitale, reformed the program and provided for an expansion of FamilyCare and Medicaid eligibility. In order to build on Senator Vitale's leadership and the Legislature's momentum toward achieving universal health coverage for children, Governor Corzine proposes \$5 million in additional State funds to strengthen FamilyCare. Through

aggressive interdepartmental collaborative efforts to maximize existing enrollment opportunities, as well as through targeted marketing and outreach, New Jersey will reach its goal of enrolling an additional 50,000 children by June 2007. Together, we will fulfill the promise of FamilyCare.

Fighting Hunger

In one of the most affluent States in the nation, approximately 1.6 million New Jerseyans still go to bed hungry, including roughly 470,000 children. That is why, despite severe fiscal constraints, Governor Corzine finds it unacceptable to leave these individuals behind in this Budget. For the last 11 years, New Jersey has spent only \$338,000 on hunger alleviation programs, the bare minimum necessary for New Jersey to receive matching federal funds. Approximately 500,000 New Jerseyans are turned away every year when they seek assistance in feeding themselves and their children.

The Budget calls for an investment of \$3 million in the Department of Agriculture's Food Distribution Program, which services the major Emergency Feeding Organizations and 660 food pantries, soup kitchens, and homeless shelters. With this increase in funding, New Jersey will take a large step toward alleviating hunger, enabling the Department of Agriculture to purchase 4.7 million pounds of food. This investment will expand the availability of food for more than 1.1 million individuals who already rely on the program and help feed an additional 500,000 people. Purchasing priorities will be to buy locally first and regionally second, when available.

While extensive reductions in state aid are necessary, we have a moral responsibility to support New Jersey's most vulnerable citizens. This investment— in conjunction with a \$1 million capital investment to improve food storage systems at distribution centers – makes significant strides toward alleviating hunger in the State.

Reducing Gang-Related Violence

Gangs have terrorized our neighborhoods for too long. Children should not be afraid to walk home from school, parents should not worry when their

children play outside, and law-abiding citizens should not be afraid to walk through their neighborhoods at night.

The Department of Law and Public Safety estimates that New Jersey's gang population has more than doubled in the last five years, from 7,400 in 2001 to 17,000 members today. The rapid growth of gang activity has spread beyond traditional law enforcement jurisdictions, necessitating pro-active regional and statewide solutions.

Governor Corzine's Budget includes \$2 million as the start of a new commitment to work with law enforcement, localities, and community partners to comprehensively reduce gang activity and ensure that our corrections and parole agencies better prepare individuals to be productive citizens upon their return.

Prevention

Keeping Children Safe After School Hours

According to FBI statistics, children are most vulnerable to juvenile and gang-related crime violence between the times of 3 p.m. and 6 p.m. Afterschool programs provide educational and recreational activities during these critical hours for otherwise unsupervised children. Studies have shown that afterschool programs can reduce juvenile crime and violence by 30% to 75%.

Governor Corzine plans to increase funding for New Jersey After 3, to provide opportunities for 13,000 children – 2,000 more than currently served – to participate in afterschool programs through the State, especially in neighborhoods with high gang activity.

Helping Children Combat Gang Recruitment

Helping our children to combat the pressure to join gangs should be a key component in any anti-gang strategy. *Project Phoenix* is a nationally recognized, gang prevention, curriculum-based program, sponsored by the Department of Education and the Juvenile Justice Commission (JJC). It currently serves 2,700 children in JJC facilities and county-operated detention centers. It has also been implemented in six schools – two in

SUMMARIES OF APPROPRIATIONS

Newark, two in Trenton, and two in Camden – serving 300 at-risk children. Governor Corzine seeks to expand this program by \$250,000 to include 100 more schools across the State, empowering an additional 5,000 more children to avoid gangs. This represents a seventeen-fold increase in the number of school children across New Jersey served by gang prevention education programs.

Criminal Justice

Dedicating Criminal Justice Resources to Fighting Gang-Related Violence

Bold and innovative action is necessary to dismantle gangs by bringing their members to justice. As a major step in that direction, the Attorney General will create a new “gang violence/organized crime” unit within the Division of Criminal Justice. The reorganization will focus exclusively on prosecuting gangs and organized crime units. This measure will not require additional resources in the Fiscal 2007 Budget.

Operation CeaseFire Expansion

Operation CeaseFire is a community-based response to gun violence in Newark and Irvington. Partnering with criminal justice, government, social service, faith-based, and community organizations, Operation CeaseFire reviews previous shootings in neighborhoods to prevent future shootings, conducts outreach to gang victims, and hosts prayer vigils and peace walks in neighborhoods where multiple shootings have occurred to show support to area residents.

Since the beginning of the program, shootings in the Newark and Irvington target areas have declined by 30%. The \$750,000 investment in Governor Corzine’s Budget would quadruple the Operation CeaseFire program, extending its reach to Trenton, Camden, and Jersey City, and enhancing existing services in Newark and Irvington.

Investing in Re-entry: Halfway Back

By investing in effective programs that assist former prisoners in transitioning home, we can help them become productive members of their communities and avoid the pressures that can lead

to gang membership. Sound re-entry policy and programs promote individual responsibility, reduce recidivism, and increase efficiency.

This Budget invests \$1 million in Halfway Back (HWB) to support additional parolees in making safe, productive decisions as they re-enter our communities. These residential treatment facilities provide structured treatment services to those who have committed technical parole violations so they do not return to prison. Services include drug treatment, relapse prevention, life skills training, anger management, employment counseling, and housing and transitional support services. According to research conducted by Drexel University in 2004, offenders who completed the New Jersey HWB program reduced their rate of recidivism by more than 30%.

HWB currently operates in seven facilities across New Jersey, utilizing 650 beds and serving an annual population of 2,400 people enrolled in four-month programs. The \$1 million increase would result in an additional 50 beds, serving an additional 150 parolees annually.

Promoting Women’s Health

Increasing health care costs and declining federal support add to the rising costs of family planning services. Governor Corzine is committing \$2 million to promote women’s health through family planning services in the Department of Health and Senior Services’ Division of Family Health Services. Family planning programs in New Jersey currently provide reproductive health care services to more than 124,000 women and men throughout the State. This additional funding will support an additional 4,500 patients, expand hours of operation, and reduce waiting periods for patients, both for scheduling appointments and for clinic services. Along with this added funding, Governor Corzine calls on the family planning agencies to focus on private fundraising efforts with the goal of matching their private funding to their State funding.

Family planning services often serve as the only source of primary health care services for low income and working poor families who would otherwise not seek traditional preventive health

care. In addition, these services help prevent unintended pregnancies, lower the rate of abortion and sexually-transmitted diseases, substantially decrease the risks of infant mortality, and provide prenatal care, HIV testing and counseling, as well as essential screenings for breast and cervical cancer, hypertension, and diabetes. Every public dollar spent on family planning services saves an estimated \$3 in Medicaid costs – a solid return on investment.

Addressing Violence Against Women

Nationwide, one in four women report they have been physically or sexually assaulted by an intimate partner in their lifetime. Domestic violence affects families of all different backgrounds, and survivors of domestic violence need support and security. Governor Corzine is committing \$1 million to address violence against women through grants from the Department of Law and Public Safety's (LPS) Division of Criminal Justice. LPS currently distributes grants to support domestic violence survivors through non-profit agencies and other programs. These programs provide legal and medical assistance, counseling, and other important supports to address domestic violence and related issues. The proposed additional \$1 million will expand the number of grants awarded to approximately 75 – a 50% increase that will ensure that many more women and their families will receive the support they need.

Creation of Department of Children and Families

This Budget reflects Governor Corzine's commitment to helping those who cannot help themselves, and children are central to that commitment. New Jersey's child welfare system has been in a state of crisis. Nearly three years ago, the State settled a federal class action lawsuit alleging the system's failures placed children at risk of harm. Almost two years ago, the State submitted a comprehensive plan to reform all aspects of the child welfare system, which has been monitored by a panel of national child welfare experts appointed by the federal court.

The panel has determined in its monitoring reports to date that implementation of the reform plan has been unacceptable in certain respects. If there is any area that should be marked by urgency, this is it. The stakes for the most vulnerable New Jerseyans could not be higher. A meaningful part of the problem has been that the child welfare system is embedded in one of the largest agencies in State government, the Department of Human Services (DHS). In addition to child welfare, DHS is responsible for the enormous Temporary Assistance for Needy Families (TANF) and Medicaid programs; services for persons with developmental disabilities, including the publicly-operated developmental centers; mental health programs, including public psychiatric hospitals; addiction treatment and prevention, and a host of other critical programs for disabled and vulnerable New Jerseyans.

Aggressive reform of the child welfare system requires a focus that is not possible under the current structure. New Jersey needs a Cabinet agency devoted exclusively to the State's most vulnerable children and families. In addition, Human Services clients, such as those with disabilities and mental illness, will greatly benefit from a streamlined DHS with a smaller, more focused purview. Governor Corzine looks forward to working cooperatively with the Legislature to make the necessary statutory changes to create the New Jersey Department of Children and Families (DCF) to provide this focus for both populations.

Because results must be achieved quickly, DCF will begin on July 1st, and will initially be composed only of the divisions in DHS focused on child protection, welfare, education and permanency, child behavioral health and abuse prevention. A new interim body, the Governor's Task Force on Human Service Restructuring, will be empanelled to evaluate existing resources within State government and to make recommendations for efficiency and alignment of resources to improve services in the areas of child welfare in DCF and for vulnerable residents being served by DHS. Structural change will not be a panacea; there is no such thing but it is an essential element of success in an area where failure is not an option.

SUMMARIES OF APPROPRIATIONS

Economic Growth

In an increasingly competitive economy, New Jersey must take bold action to create new jobs statewide in order to enhance tax revenue without tax increases and simultaneously reduce reliance on State-funded, safety-net programs.

In order to better manage our economic assets in austere fiscal conditions, Governor Corzine created the Office of Economic Growth in the Governor's Office, the first time in our State's history that a governor has made economic growth a central priority.

The Office of Economic Growth will coordinate the actions of State government, while working with municipal and county business, labor, community, and government leaders to grow the economy and create jobs. The Governor will also create an Economic Growth Council to regularly advise his Administration on the Office's progress.

The Governor has instructed the Economic Growth Office to work with his entire cabinet to develop and implement a business plan that will accomplish the following goals:

- Ensure that business climate and corporate tax policy are conducive to economic growth in both local communities and international trade;
- Build an innovative economy centered around a world-class workforce;

- Invest in critical infrastructure: transportation, energy, and technology; and
- Encourage entrepreneurship and small, minority and women-owned businesses.

Homeland Security

Governor Corzine recognizes that protecting New Jersey's citizens and critical assets is the top priority for the State of New Jersey and its Governor. We have entered into a new threat era with acts of terrorism, natural disasters, catastrophic events, and pandemics that require a new operational, all-hazard paradigm and approach to homeland security and emergency preparedness. For this reason, the Governor has created through executive order the Office of Homeland Security and Preparedness, which will be led by a cabinet-level Director who will advise the Governor and coordinate emergency response efforts across all levels of government, law enforcement, emergency management, non-profit organizations, agencies, authorities, other jurisdictions, and the private sector to greatly enhance the safety, security, and preparedness of New Jersey. The Director will have complete responsibility for overseeing, planning, and distributing State and federal funding for homeland security and emergency preparedness solely on the basis of risk, threat, and vulnerability, will eliminate duplication, ensure the most effective use of limited resources, and guarantee that funds are used for appropriate and necessary purposes.

CAPITAL IMPROVEMENTS

Capital Improvements

Parks, Forests, Wildlife Management Areas, and Historic Sites

Homeland Security Critical Infrastructure

Child Advocacy Centers

Homeless Shelters

Community Residences for People with Developmental Disabilities

Homeless Veterans Shelters

Substance Abuse Treatment and Recovery Centers

Women's Shelters

Food Distribution Centers

Rape Care Centers

Capital Overview

In preparation for presenting this budget proposal, the Administration identified a number of program changes and other steps that would generate \$80 million in one-time revenues. Since Governor Corzine is committed to the principle that ongoing operating expenses should be funded with recurring, not one-time, revenues, he has proposed that the \$80 million be used to fund a variety of one-time capital improvements that are overdue

and will help improve the quality of life for the people of New Jersey.

Parks, Forests, Wildlife Management Areas and Historic Sites

New Jersey's parks and other natural areas contribute to the beauty of our State and are a worthwhile environmental and economic investment. With the recent addition of three new urban State parks in Trenton, Paterson, and River

SUMMARIES OF APPROPRIATIONS

Edge, New Jersey's State park system has grown to 42 State parks, 11 forests, 3 recreation areas, 43 natural areas, and more than 50 historic sites and districts. Governor Corzine will put a down payment on the estimated \$250 million in deferred capital and maintenance needs for these programs by devoting \$40 million in one-time capital funds for maintenance and preservation.

Over the past five years, the Department of Environmental Protection (DEP) has maintained an average of 15 million visitors per year to the State park system's sites and facilities, exceeding the 50-state average of 11 million visitors per year. Since 1990, annual visitation to the state's parks, forests, and historic sites has increased by 4.5 million.

The impact of our State parks and forests on the State and local economies is substantial. According to a 2004 DEP study, the estimated value of the benefits of maintaining our State parks and forests is at least \$1.2 billion annually, or \$30 billion over a 25-year period. This includes indirect economic activity generated by recreation and tourism expenditures, as well as ecosystem services that include watershed and groundwater protection, flood control, water purification, wildlife conservation, biodiversity preservation, and storage of carbon. In addition, maintaining and preserving our parks and forests translates to the direct creation of almost 14,000 jobs, positively impacts property values, and provides enhanced public services, including education.

The proposed appropriation of \$40 million will provide an important start for much-needed capital improvements in our State parks, forests, wildlife management areas, and historic sites. Specific projects include restorations to State-owned historic sites like Batsto and Atsion Mansions, Rockingham, Waterloo Village, historic train sheds at Liberty State Park, and the DEP's most recent acquisition, the office and homestead of "Doctor" James Still in the Pinelands. DEP will also undertake critical health and safety improvements including demolition of unsafe structures, asbestos removal, lead abatement, air quality improvements, fire safety measures, dredging of our marinas, and barrier-free access improvements.

Funding will also be used to create new campsites at places like Wawayanda State Park and to upgrade existing campgrounds throughout the park system. Also, many of our popular trails will be improved for public enjoyment.

Maintaining our State parks, forests, wildlife management areas, and historic sites in good repair ensures that the value they provide, not only for recreational and conservation purposes, but also economic purposes, is carried forward for future generations.

Homeland Security Critical Infrastructure

Not a moment passes without a reminder of the way the September 11, 2001 terrorist attacks transformed American life. Our State's location and highly developed infrastructure – ports, chemical plants, bridges, tunnels, highways, and transit systems – make New Jersey a leading target for potential attacks. The most critical job of government must be to keep the people safe and secure, and the Corzine Administration is committed to doing just that. That means coordination across all levels of government: cooperation among State agencies, the private sector, and public health facilities; solid intelligence-gathering and analysis; timely dissemination; and clear lines of command, control, authority, and responsibility. This Budget invests \$20 million in the Office of Homeland Security and Preparedness for one-time homeland security needs, such as resources for interoperable communications, tools for intelligence sharing, and enhanced infrastructure protection.

Child Advocacy Centers

Child Advocacy Centers provide essential services for children and families when a child is suspected to have been sexually or physically abused. The expansion and improvement of these services will allow New Jersey to conform with national best practices for addressing and prosecuting child abuse. These centers co-locate law enforcement, mental health, and State child protective services, so that children that allege sexual abuse can tell their story and then benefit from state-of-the-art forensic interviewing, videotaping, and analysis.

Partnering with New Jersey's Regional Diagnostic Treatment Centers – unique services with physicians and clinicians specializing in the detection and treatment of child abuse – Child Advocacy Centers will afford families and children the support and services needed in these crises. Preliminary research finds that Child Advocacy Centers reduce the number of child abuse interviews per victim, improve collaboration among agencies, result in fewer foster care placements for children, and increase prosecution and conviction rates.

Child Advocacy Centers have developed as a result of a modest initial investment. These funds have enabled programs to get started, but few resources have been invested in capital. Governor Corzine is devoting \$5 million for a grant program in the new Department of Children and Families for one-time capital improvements to ensure that children feel safe and get the most appropriate treatment during these traumatic times.

Homeless Shelters

Governor Corzine is committed to leveraging limited resources to assist one of our most vulnerable populations: the homeless. By investing an additional \$5 million in capital improvements for New Jersey's Shelter Support Program, the Corzine Administration will help ensure that homeless individuals and families have a safe and accessible transitional "home" in times of need.

The Shelter Support Program is part of a coordinated, inter-departmental State effort that assists local governments and private, not-for-profit organizations in providing for the homeless community. This program provides funds to renovate, improve, and expand existing homeless shelters and transitional housing.

Last year, the State spent \$2.3 million, with an additional \$1.5 million in federal funding, for capital expenditures in the Shelter Support Program. Governor Corzine's Budget proposal would more than double the State investment in homeless shelter improvements by investing \$5 million to add new beds, repair leaking roofs, provide heating systems, repair fire safety and building code violations, improve handicapped

accessibility, replace doors and windows to make homes secure, and upgrade outdated electrical systems. This will enable shelters to increase their capacity and enhance health and safety conditions for the populations they serve.

Community Residences for People with Developmental Disabilities

Consistent with the United States Supreme Court's *Olmstead* decision, Governor Corzine is committed to increasing the availability of residential and rehabilitation opportunities in the community for individuals with developmental disabilities. This initiative will enable people with disabilities to move from more restrictive institutional settings, such as hospitals, developmental centers, and nursing homes, to residential programs with appropriate services and supports located in the community.

The *Olmstead* decision requires each state to ensure that individuals with developmental disabilities are served in the most integrated settings possible. Governor Corzine proposes to invest \$3 million in State capital funds through the Department of Human Services to create increased capacity within our communities. These resources are in addition to a dedicated investment by the Department of Human Services (DHS) to support the placement of a significant number of individuals from developmental centers into the community beginning in fiscal 2007 as part of New Jersey's *Olmstead* initiative goals.

This infusion of capital will fund special needs homes and apartments. To meet the critical concerns of this population, a portion of the funding will be used to ensure that the special needs homes will be accessible for individuals with ambulation difficulties. Also, some of the homes will specialize in supporting individuals with behavioral challenges, medical needs, or both.

Homeless Veterans Shelters

Homelessness is the most severe form of poverty and a social condition that affects far too many New Jerseyans, including veterans who have

SUMMARIES OF APPROPRIATIONS

served our nation. According to the Department of Military and Veterans Affairs (DMAVA), approximately 8,000 of New Jersey's veterans are homeless.

These men and women served our nation proudly, and it is unconscionable for the State to leave them out in the cold. Governor Corzine proposes investing \$2 million in one-time capital improvements to ensure that veterans have access to transitional housing. This capital allocation will be used by DMAVA to renovate existing facilities to create 30 new beds for our homeless veterans. This investment is a small but important step in the process of fostering self-sufficiency and improving the quality of life for New Jersey's veterans.

Substance Abuse Treatment and Recovery Centers

Substance abuse has harmful effects on personal lives, families, and our communities. Too often, children are put in harm's way as a result of the drug or alcohol use of their parents, and families are torn apart. Prevention and treatment of substance abuse is essential to minimizing these harmful effects. DHS regulates addiction treatment programs ranging from residential treatment to outpatient centers for more than 50,000 individuals each year, including 9,000 young adults, teenagers, and even children. Many of the treatment agencies are in serious need of expansion and renovation, and many cannot safely and adequately accommodate annual admissions; for every one person treated, two are waiting. The Fiscal 2007 Budget will invest \$2 million in capital improvements for New Jersey's addiction treatment centers to help pay for additional rooms, beds, and significant repairs. This capital investment will be administered as a grant program for licensed, publicly-funded agencies, directed through the Division of Addiction Services within DHS.

Women's Shelters

Women's domestic violence shelters throughout New Jersey provide temporary housing to women and their children fleeing abusive situations, with an average length of stay of about a month. Each year, the Department of Community Affairs (DCA) receives an overwhelming number of

applications from the 22 women's shelters located throughout the state for grants for capital improvements. Under the current funding level, most grant applications cannot be filled completely, and many are denied outright, leaving these shelters in a state of disrepair.

This Budget adds \$1.5 million in one-time capital investments through DCA's Division on Women to allow women's shelters to not only improve their existing facilities but also to add more beds and serve an increased number of survivors of domestic violence. In 2004 (the most recent data available), these shelters served nearly 1,700 women and approximately 2,000 children. Due to lack of capacity, however, over 1,900 women and children were turned away. This increased funding will allow for the shelters most in need to expand capacity and improve the upkeep of their buildings so that every woman seeking a safe haven can be served.

Food Distribution Centers

As part of New Jersey's effort to alleviate hunger, Governor Corzine is committing \$1 million for capital improvements of emergency food distribution centers to preserve food purchased for hungry New Jerseyans. Too many emergency food centers do not have the capacity to store or preserve perishable food items. To help rectify this situation, this Budget will invest \$1 million in capital improvements to our State's emergency food distribution centers through the Department of Agriculture Division of Food and Nutrition. This capital - in conjunction with the \$3 million Governor Corzine has committed to the purchase of millions of pounds of food for the less fortunate - will take us another step closer toward alleviating hunger in the State. The additional investment will help ensure that approximately 500,000 New Jerseyans, who are currently turned away when seeking assistance, get the food they need.

Rape Care Centers

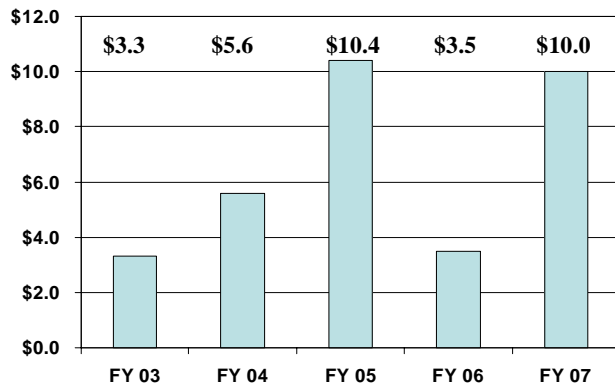
Rape care centers in all 21 counties throughout the State provide essential services to survivors of sexual violence and their families, ensuring compassionate treatment of survivors of sexual assault who seek assistance. New Jersey's rape

care centers are some of the most comprehensive in the country, providing free and confidential services such as crisis intervention, individual and group counseling, information and referrals for needed services, and accompaniment to hospitals, police stations, and court proceedings. Last year, over 4,200 women visited a rape care center, and rape crisis hotlines received over 24,000 hotline calls. Governor Corzine will devote \$500,000 in one-time capital funding for rape care centers to allow for much needed technological upgrades and other capital improvements that will improve the care that women receive during these difficult times.

Other Discretionary Capital Improvements

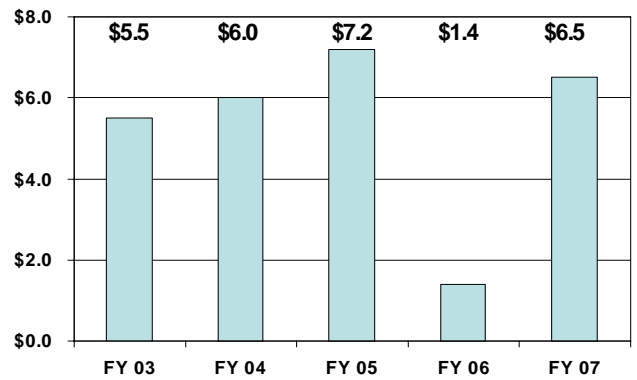
In addition to the aforementioned \$80 million for capital projects, the Budget includes \$40.8 million in discretionary capital funding for the State’s most critical projects. Most prominently, \$10 million is recommended for the Statewide Automated Child Welfare Information System (SACWIS), a key component of the State's Child Welfare Reform Plan. SACWIS, which is designed to improve administration of the Title IV-B Child Welfare and Title IV-E Foster Care programs, will generate \$10 million in federal matching funds. Including the \$10 million recommended for fiscal 2007, the State will have appropriated a total of \$32.8 million for this purpose since fiscal 2003, as summarized on the accompanying chart.

Statewide Automated Child Welfare Information System (SACWIS)
(In Millions)



To complete the State's Office of Information Technology’s Availability and Recovery Site (OARS), a total of \$6.5 million is recommended. When completed, OARS will provide a fully tested, state-of-the art disaster recovery function in the event of a disaster to protect the data associated with some of the State’s most critical programs, including accounting and revenue systems, human resource data, and motor vehicle records. Since fiscal 2003, the State has provided a total of \$26.6 million for this project.

Office of Information Technology Availability and Recovery Site (OARS)
(In Millions)



Additional critical fire and life safety projects, totaling approximately \$18 million, will be funded at the Katzenbach and Piscataway Regional Day School, the Juvenile Justice Commission, and the Department of Human Services. Projects include new fire suppression systems, suicide prevention improvements, and new heating and cooling systems in State institutions serving our most vulnerable client populations. Finally, a total of \$5.6 million is recommended for DEP flood prevention projects to help leverage \$22.6 million in federal matching funds.

PROPERTY TAX RELIEF

Direct Property Tax Relief

The Fiscal 2007 Budget will continue essential property tax relief programs by providing \$1.9 billion in rebates and State-funded tax deductions to New Jersey property taxpayers. Governor Corzine has fulfilled his pledge to provide increased property tax relief in the Fiscal 2007 Budget.

Homestead Rebates

Direct property tax relief that is targeted to those who need it most – seniors and low- and moderate-income families – is an important part of the State’s efforts to alleviate the property tax burden, and Governor Corzine believes we must ensure that this relief increases each year. The Governor had hoped to be able to propose a dramatic increase in property tax rebate funding by restoring funding to its 2004 level and then growing it by 10%. But given the enormous size of the structural deficit and the need for significant cuts in the budget to address it, Governor Corzine is proposing that the 10% increase be applied against the rebate level in 2005.

With an infusion of \$530 million, homestead rebates will increase over 2005 levels for all recipients. Homeowners with incomes up to \$200,000 and tenants with incomes up to \$100,000 will continue to be eligible for the program. Funded at a total of \$1.2 billion, this program will provide the highest rebates to low-and middle-income senior citizens. Specifically, senior homeowners with incomes less than \$70,000 will receive a maximum rebate of \$1,320, and senior homeowners with incomes above \$70,000 will receive a maximum rebate of \$880. Rebates for non-senior homeowners will be from \$330 to \$385. Senior tenants and non-senior tenants will receive maximum rebates of \$908 and \$83, respectively.

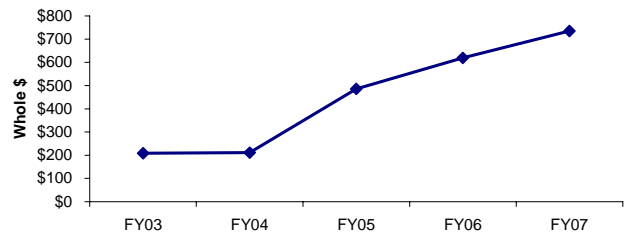
As part of Governor Corzine's emphasis on achieving management efficiencies, the Administration recognizes that the taxpayer-funded costs for a check-based homestead rebate program are significant. With printing and postal costs for

rebate checks in excess of \$2 million, the Corzine Administration will seek to convert this program over time to a credit against local property tax bills. This conversion can be achieved as the State proceeds with the Property Assessment Management System (PAMS), which is currently being developed for statewide implementation in future fiscal years.

Senior Tax Freeze

The State’s low- and middle-income seniors will continue to see 100% of their property tax increases paid through the Senior and Disabled Citizens’ Property Tax Freeze (Senior Tax Freeze) program. Funding for this program is increased 21% (\$20.5 million) over the 2005 level. The Senior Tax Freeze program freezes property taxes for low- and middle-income seniors, reimbursing them for any property tax increases assessed after a participant joins the program. Therefore, the annual rebates increase as local property taxes increase.

State Budget Pays for Seniors' Property Tax Increases



Average reimbursement to individual seniors for rising property tax increased from \$209 in fiscal 2003 to an estimated \$735 in fiscal 2007.

In fiscal 2007, this program is expected to provide rebates to approximately 162,000 seniors, at an average check level of \$735. (During fiscal 2006, over 152,000 seniors have received rebates to date, with checks averaging \$619 each.)

This program has a proven track record of maintaining seniors in their homes, with over 50% of seniors still in the program after three years. For fiscal 2007, the program’s income eligibility

thresholds have increased by 2.7%, to \$41,972 if single and to \$51,465 if married.

Property Tax Deductions

Veterans and qualified senior and disabled residents will continue to receive a \$250 property tax deduction on their local tax bills in 2006. The State will reimburse municipalities a total of \$99 million for the estimated 388,000 veterans, seniors, and disabled residents expected to apply for this deduction in fiscal 2007.

The property tax deduction against State income tax liability will save middle-income taxpayers an estimated \$438 million in fiscal 2007.

The New Jersey Earned Income Tax Credit (EITC) program provides families with 20% of their federal EITC benefit. In fiscal 2007, this benefit is estimated at \$118 million, of which \$18.4 million will be paid from the federal welfare block grant.

Municipal Aid

In spite of tremendous budget constraints, the proposed Fiscal 2007 Budget maintains level funding of \$1.7 billion for formula aid to New Jersey's 566 municipalities through the Consolidated Municipal Property Tax Relief Aid (\$835.4 million), Energy Tax Receipts Property Tax Relief Fund (\$788.5 million), Municipal Homeland Security Assistance Aid (\$32 million), and Legislative Initiative Municipal Block Grant (\$34.8 million) programs.

Other municipal aid programs are funded at a level of \$151 million. More than half of this amount, or \$78.4 million, will assist the State's fiscally distressed cities. Partially offsetting this increase is a \$13 million reduction to the discretionary

Extraordinary Aid program and the elimination of the Regional Efficiency Aid Program (REAP), funded at \$11 million in fiscal 2006. Since fiscal 2003, REAP has benefited only 14 towns which achieved the highest per capita savings on property tax bills from efficiencies and consolidations that reduced property taxes. The State payment provided an incentive and reward for their efforts to consolidate, but after four years of such payments it is time to allow the residents of these towns to benefit from consolidation alone. Other municipal aid programs that maintain level funding in fiscal 2007 are the Highlands Protection Fund initiatives (\$12 million) and the Trenton Capital City Aid program (\$16.5 million).

An increase of \$500,000 is provided for Payments in Lieu of Taxes (PILOT) to municipalities for State and nonprofit preserved open space. Open space PILOT payments to municipalities grow from \$9 million in fiscal 2006 to \$9.5 million in the Fiscal 2007 Budget recommendation.

Continuation funding is also provided for Regional Efficiency Development Incentive (REDI) grants at \$4.2 million. Funding for REDI will be utilized to support the Sharing Available Resources Efficiently (SHARE) program. SHARE grants are available to municipalities, counties, and fire and other special districts, as well as nonprofit organizations that provide regional coordination of shared services. The SHARE program offers three assistance options: Implementation Assistance, Feasibility Studies, and Regional Coordination Grants.

SCHOOL AID

Education

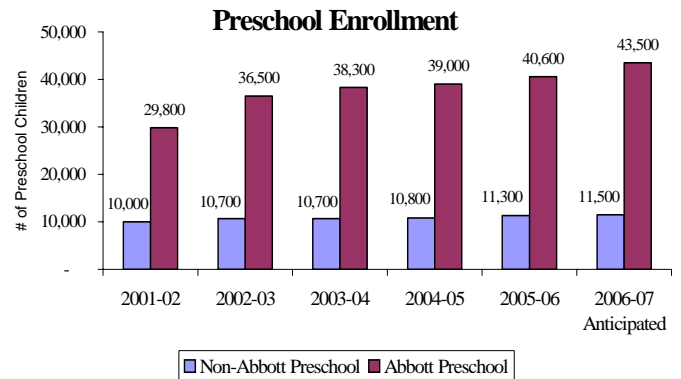
Including School Aid to localities, over one-third of the Fiscal 2007 Budget, or \$10.5 billion of the \$30.9 billion total State appropriation, is provided for Education. Some of the more prominent programs are described below.

The Preschool Advantage

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

As the accompanying graph illustrates, the Department of Education expects preschool enrollment in the Abbott districts to grow to 43,500 for the 2006-2007 school year, an increase of approximately 46% since the program began in the 2001-2002 school year. If these enrollment levels are achieved, approximately 80% of all general education three- and four-year-olds in the Abbott districts will be enrolled in a high quality preschool program.

Since fiscal 2003, a new form of state aid has been provided to fund the dramatic increase in preschool enrollment in the Abbott districts. The Fiscal 2007 Budget recommendation includes \$243.2 million for Abbott Preschool Expansion Aid. In addition, \$92.2 million in the Department of Human Services is available for programs offered before- and after-school for Abbott preschoolers.

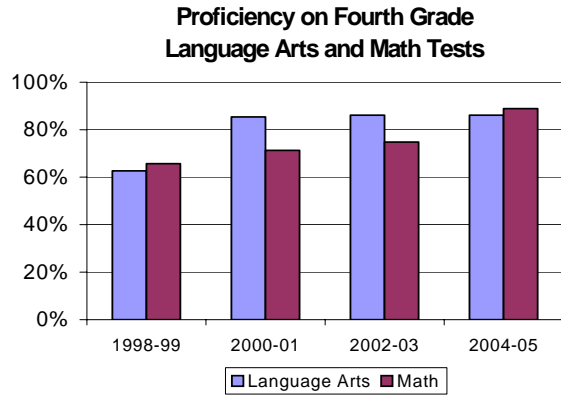


Preschool enrollment is anticipated to grow to 55,000 in FY07, a 38% increase over enrollment in FY02.

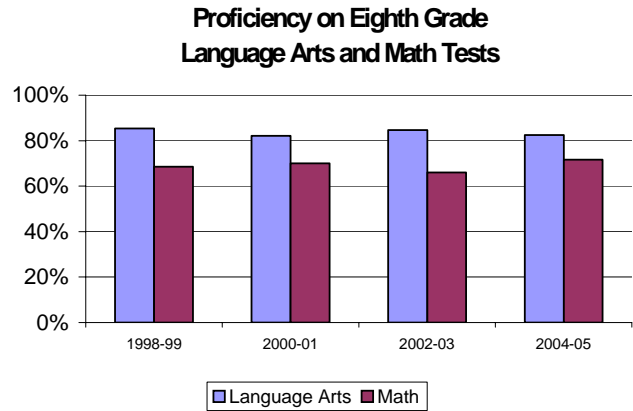
A second form of state preschool aid (Early Childhood Program Aid) supports an additional 45,534 preschoolers and kindergartners in 132 high poverty districts around the State. The Fiscal 2007 Budget recommends \$330.6 million for this program. In fiscal 2005, a new category of early childhood state aid, the Early Launch to Learning Initiative (ELLI), was introduced. The \$3 million recommended for this program in the Fiscal 2007 Budget will allow the program to run at the same level as fiscal 2006, increasing access to high quality preschool for four-year-olds by creating new or expanded preschool programs in the low-income districts that have participated in the program since its inception in fiscal 2005.

Statewide Assessment

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



The proficiency rate of fourth graders in language arts has consistently remained approximately 86%, while proficiency in math has increased to 89%.



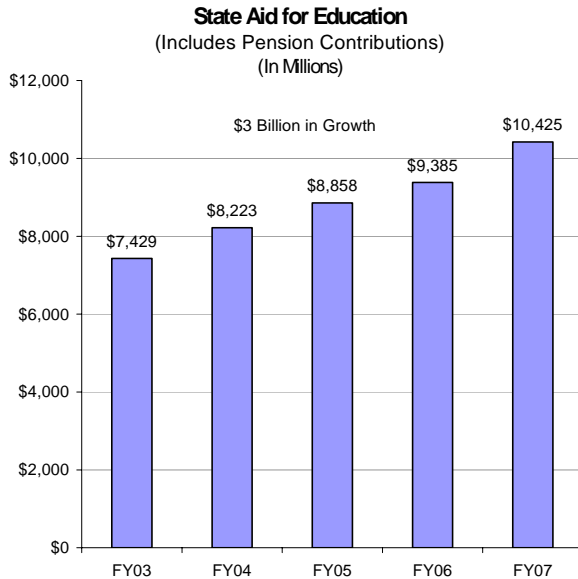
The proficiency rate of eighth graders in language arts has consistently remained approximately 82%, while proficiency in math has increased to 71%.

With the enactment of the federal No Child Left Behind Act in 2001, further alterations have been made to New Jersey’s statewide assessment test for elementary school children in accordance with the mandate to administer annual tests in grades 3 through 8. To comply with the expectation that each state will provide assessments that test students’ knowledge in the state’s content standards and test cognitive skills in language arts, math, and science, New Jersey has begun to develop a comprehensive testing program. As is evident by the accompanying graphs, New Jersey students continue to achieve high levels of proficiency in both language arts and math, while progressively approaching the federal goal of 100% proficiency. Fourth grade students are steadily achieving advanced levels of proficiency in language arts, with approximately 36.1% reaching the level of advanced proficiency, while 22.4% of eighth grade students tested at advanced levels for math.

School Aid

State aid for school districts is the single largest purpose to which State funds are devoted, with a total recommended amount of over \$10.4 billion for fiscal 2007, as seen in the accompanying graph. It is anticipated that in fiscal 2007, the State will support 44.1% of total per pupil costs, the highest recorded percentage. This includes the significant contributions the State makes on behalf of local school districts for employee benefits. In recognition of the continued high priority given to education, the Fiscal 2007 Budget includes \$7.6 billion in direct aid to local districts.

SUMMARIES OF APPROPRIATIONS



State Aid for Education has increased 40% since FY03, with the majority of the FY07 increase due to teacher and other school employees' benefits.

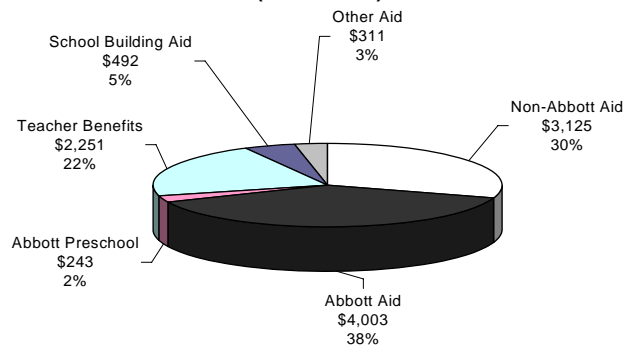
Fiscal 2007 school aid also includes \$375.2 million for the School Construction and Renovation program and \$116.8 million in School Building Aid. This represents an increase of \$113 million over the fiscal 2006 adjusted appropriation for these categories of aid. This funding will provide for State school construction debt service on new and existing bond issues, as well as aid for qualifying local debt issued for school construction.

The Budget provides \$2.3 billion in payments on behalf of local school districts for teachers' retirement benefits and the employer's share of social security payments. This represents an increase of \$823.2 million over the fiscal 2006 adjusted appropriation and protects property taxpayers from shouldering these costs. The proposed funding level also recognizes the importance of a stable pension system in the recruitment and retention of high quality teachers and school leaders throughout the state. The majority of the increased cost in this category is the contribution to the Teachers' Pension and Annuity Fund, which will increase \$743 million over fiscal 2006. Although fiscal constraints limit

the Administration's ability to fully fund pension costs, this Budget accelerates the phase-in toward full funding.

The Fiscal 2007 Budget recommendation for most categories of direct aid is at the same level as in fiscal 2006. Categories of aid have been evaluated for effectiveness. Existing resources have been reallocated to recognize shifts in enrollment, both increases and decreases. Growth has been contained in aid to Charter Schools, School Choice, and Abbott Bordered Districts. Although the appropriation for High Expectations for Learning Proficiency has been reduced, the eligibility criteria have been revised to direct the resources to low-income districts for improvement of achievement levels. Teacher Quality Mentoring will be level funded at \$2.5 million. Education Opportunity Aid funding for Abbott districts will grow to \$1.5 billion, an increase of \$96 million over the fiscal 2006 appropriation. These resources will ensure parity and support educational priorities in those districts. As shown in the attached chart entitled "Components of State Aid for Education," total state aid to the Abbott districts will reach \$4 billion when all categories of formula aid are summed.

Components of State Aid for Education
(In Millions)



Abbott aid represents about 38% of state aid to schools.

The Governor recognizes that it is time to address the inequities that exist in the school funding system and intends to work with the Legislature and stakeholders to develop a new school funding formula in the upcoming year. The Comprehensive Educational Improvement Financing Act (CEIFA) formula has not been used

to determine state aid for the past five years. During this time, almost all of the increases in state aid have gone to the Abbott districts. As a result, Abbott districts now represent 12 of the state's 15 highest spending K-12 districts. In addition, some of the lowest spending districts are rural districts or those non-Abbott districts with high numbers of low-income students.

Promoting Literacy

The Governor's Literacy Initiative has been redesigned to target low-performing non-Abbott school districts. Under Governor Corzine, a more effective model will be applied to the Literacy Initiative, and this approach will reach a greater number of students. The initiative will provide grants and technical support to implement the core features of the Department's successful Intensive Early Literacy model. State funding will be provided for the purchase of instructional materials to support the literacy learning of students in kindergarten through grade four, including students with disabilities and students with limited English proficiency. A second grant program under the Governor's Literacy Initiative will blend State and federal funding to provide the services of a Special Education Literacy Resource Coach within the low-performing, non-Abbott districts.

Under Governor Corzine, additional emphasis will be placed on adolescent literacy. Funding from the Governor's Literacy Initiative will be used to support a pilot program to improve the literacy achievement of students in middle schools. The Department of Education will also use a grant from the National Governor's Association to support the development of policies to promote adolescent literacy.

School Construction

The New Jersey Schools Construction Corporation (SCC), a subsidiary of the New Jersey Economic Development Authority, is dedicated exclusively to school construction. To date, the SCC has managed 587 school facilities projects, including 354 Abbott health and safety projects. Of the projects, 50 represented major facilities, including renovations and additions. In addition, 2,461 grants to non-Abbott school districts have been executed, totaling \$2.1 billion. In February 2006, Governor Corzine issued Executive Order #3 that established the Interagency Working Group on School Construction to review the SCC and develop recommendations for reform. On March 15, 2006, the Group released its initial report of findings to the Governor. Workgroup suggestions include a framework for reorganization and recommendations for collaboration between the Department and local districts to prioritize facilities, as well as collaboration with the community to incorporate new or expanded facilities into the development of an urban plan. The workgroup also recommended no additional State funding be authorized until new management procedures have been implemented, new systems to improve cost control are in place, and a process is adopted for prioritizing remaining projects.

OTHER INITIATIVES

Higher Education

Even in the State's current fiscal situation, continued investment in higher education is critical to New Jersey's long-term economic and social health. Accordingly, this Budget provides over \$1.9 billion in overall support of the State's higher education system in fiscal 2007. Although this is a reduction of \$169.1 million, or 7.9%, from fiscal 2006, and will certainly challenge New Jersey's colleges and universities to find ways to improve the efficiency of their operations, this Budget maintains New Jersey's commitment to a diversified, accessible system of higher education. In particular, programs providing need-based financial assistance to students receive \$6.3 million in increased funding in this Budget, to assure that our neediest students will not be denied the opportunity to go to college.

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

This Budget provides the State's twelve senior public colleges and universities with over \$1.3 billion in overall support in fiscal 2007. This includes \$807.6 million in direct support, a reduction of \$143.5 million, or 15.1%, and \$545.7 million in indirect support through continued funding for fringe benefits for college and university personnel.

The senior public institutions have several options available to offset the fiscal 2007 reduction in State support:

- Low-priority or duplicative programs could be scaled back or eliminated.

- Operational efficiencies could be implemented.
- Non-State revenues could be increased. For example, initiating a gradual four-year phase-in of charging out-of-state undergraduates the full cost of their education would yield additional fiscal 2007 revenue of approximately \$5.7 million. Approximately 7% of all undergraduates at the senior public institutions are out-of-state students, who are subsidized by New Jersey taxpayers in the estimated amount of \$22.7 million annually.

This Budget also provides \$208.1 million in support of the State's county colleges, a decline of \$15.5 million, or 6.9%. Direct support declines by \$16.3 million, or 10%; this decline is partially offset by a net increase of \$745,000 in indirect support for these institutions.

The State's 14 independent colleges and universities will receive \$12 million in direct support during fiscal 2007, a reduction of 50% from fiscal 2006. These institutions serve an important role in providing higher education for more than 24,000 New Jersey residents, and must be supported even in this extremely difficult fiscal circumstance.

This Budget eliminates funding for the Higher Education Incentive Endowment Fund, a savings of \$3 million. This program's purpose – to create a matching incentive for private individuals and organizations to make large endowment contributions to New Jersey's higher education institutions – is a good one; however, the program has never been adequately funded. The State cannot afford to provide the funds, which would require a five-fold increase in appropriations, to fully match eligible endowment contributions already received by the colleges and universities.

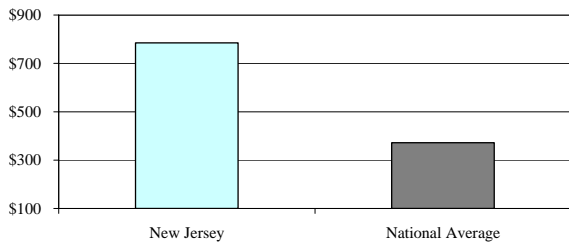
Student Financial Assistance

Even in this time of fiscal austerity, this Budget provides approximately \$290.1 million for the various student financial assistance programs, including the Tuition Aid Grant programs and the Educational Opportunity Fund programs. This Budget increases funding for need-based student assistance programs by \$6.3 million, and reduces funding for other, non-need-based student aid programs by \$5.7 million. Overall, this Budget increases funding for student assistance by \$648,000 from fiscal 2006.

Tuition Aid Grants

New Jersey’s student financial assistance programs are among the strongest in the nation. New Jersey’s flagship Tuition Aid Grant (TAG) program continues to provide more than twice the national average grant support per student (see chart entitled “Tuition Aid Grant (TAG) Per Student”).

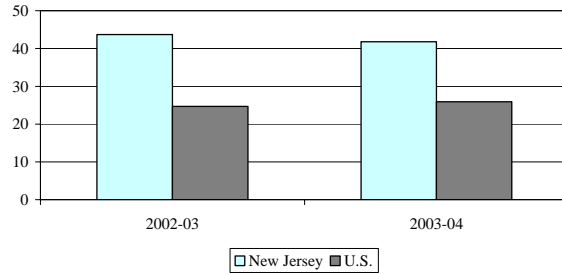
TUITION AID GRANT (TAG) PER STUDENT
TAG Funding Per Full-Time Equivalent Undergraduate Enrollment
Compared to National Average,
2003 - 2004 Academic Year



New Jersey provides more than twice the national average grant support to college students.

According to Postsecondary Education’s *OPPORTUNITY* January 2006 research letter, New Jersey currently ranks second in the nation at 41.8% in college participation rates for students from low-income families (see chart entitled “College Participation”); the national average is 25.9%.

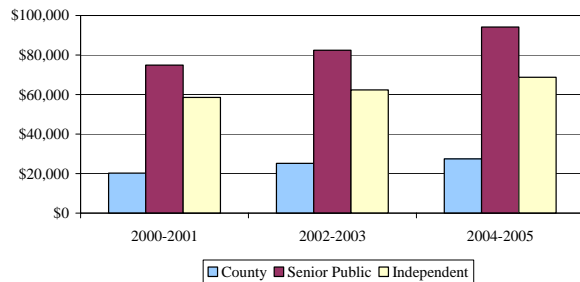
COLLEGE PARTICIPATION
Percentage of Students from Low-Income Families,
2002-03 and 2003-04



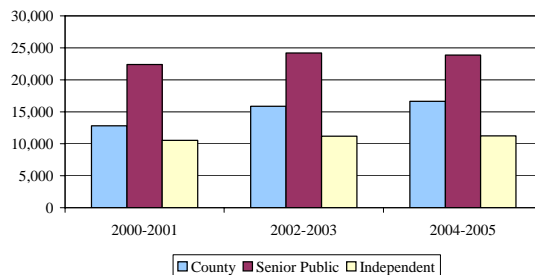
New Jersey ranks 2nd in the nation in college-attendance rates for students from low-income families.

New Jersey’s need-based TAG program generously supports low income students at the State’s senior public institutions, independent institutions, and county colleges (see charts entitled “Tuition Aid Grant (TAG) Funding” and “Tuition Aid Grant (TAG) Participants”).

TUITION AID GRANT (TAG) FUNDING
By Sector: Academic Years 2001 - 2005
(000s)



TUITION AID GRANT (TAG) PARTICIPANTS
By Sector, Academic Years 2001 - 2005



The TAG program supports low-income students at all New Jersey colleges and universities.

SUMMARIES OF APPROPRIATIONS

This Budget provides \$214.7 million for the TAG program for full-time students, an increase of \$5.8 million. This Budget ensures that the State's neediest 18,800 students across all sectors will receive an additional average award increase of \$265 to mitigate anticipated tuition increases in fiscal 2007.

In addition, this Budget provides \$4.9 million for the Part-Time TAG for County Colleges program that was initiated in fiscal 2004. The \$490,000 increase in this program will support 9,941 recipients during fiscal 2007, 986 more than in fiscal 2006, with a \$497 average award.

New Jersey Educational Opportunity Fund

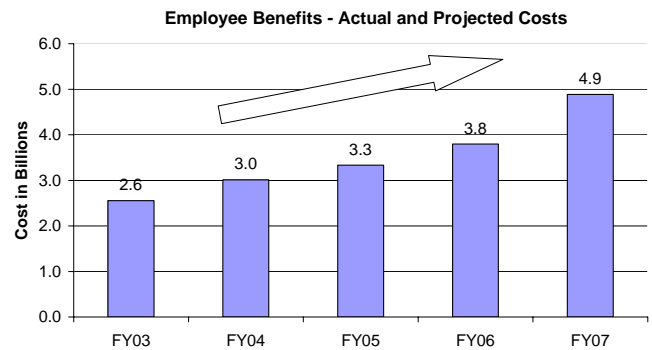
The New Jersey Educational Opportunity Fund (EOF) was created by law in 1968 to ensure meaningful access to higher education for those who come from backgrounds of economic and educational disadvantage. EOF funding has been preserved at \$40.6 million in fiscal 2007; these programs will assist disadvantaged New Jersey residents who are capable and motivated, through a variety of programs such as Opportunity Program Grants, Supplementary Education Program Grants, the C. Clyde Ferguson Law Scholarships, and the Martin Luther King Physician-Dentist Scholarships.

Employee Benefits

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

Due in part to the breadth of coverage provided, Employee Benefits has become one of the most intense growth areas in the State Budget. As

depicted on the attached chart entitled "Employee Benefits-Actual and Projected Costs," the appropriation for these fixed costs grew by \$2.3 billion or 91% from approximately \$2.6 billion in fiscal 2003 to almost \$4.9 billion in fiscal 2007. Employee Benefits costs are projected to be 15.8% of the State's overall Fiscal 2007 Budget as compared to 10.6% just four years ago.



FY07 total employee benefit costs have increased by \$2.3B since FY03.

The majority of the fiscal 2007 growth is in pension contributions, with the largest increase in payments to the Teachers' Pension and Annuity Fund. Although fiscal constraints limit the Administration's ability to fully fund pension costs, this Budget accelerates toward full funding. The chart entitled "History of Defined Benefit Pension Contribution Costs" demonstrates the magnitude of the increase in fiscal 2007. The Budget also anticipates savings from recommendations of the Benefits Review Task Force for pension reforms. These changes will curtail the ability for certain public employees to manipulate the pension plans. The following changes are recommended:

- Adoption of new criterion for membership eligibility in the Public Employees' Retirement System (PERS) to curtail the abusive practice of pension "boosting." The current minimum \$1,500 per year salary compulsory membership requirement will be replaced with the ERISA standard of a minimum of 1,000 hours worked to earn service credit or by increasing the salary standard to \$5,000;

- Elected officials who have no previous pension service credit in one of the State’s defined benefit plans would only be eligible to participate in a newly designed defined contribution plan. Appointed officials will have the option of enrolling in the defined benefit or a defined contribution plan. A defined contribution plan is a more portable benefit and more appropriate for appointees and elected officials who may only remain in public employment for a short period; and
- Professional service vendors, such as municipal attorneys, tax assessors, and others who are retained by public contracts approved by an appointing agency, would not be eligible for pension system membership.

generic drugs, and improved pharmacy administration. Even with these savings, health benefits costs for active and retired members, at \$2.1 billion, comprise 43% of employee benefit costs. By statute, the State assumes all health benefit costs for eligible retired school district employees; payments for this group are expected to be \$721 million for the next fiscal year or approximately 34% of the total \$2.1 billion appropriated for this purpose. Escalating health benefit costs continue to be a significant commitment of limited resources in the State Budget.

Health

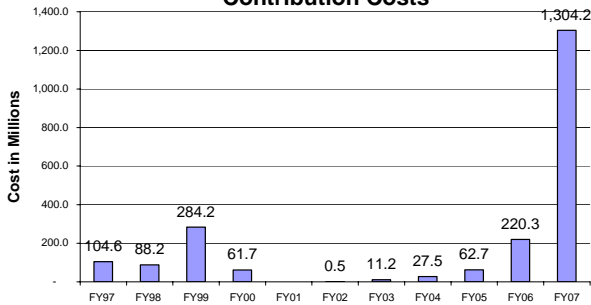
This Budget continues to enhance the State’s health services and infrastructure, particularly through the expansion of health care to uninsured children across the State. This needed budget growth is tempered, however, with responsible savings initiatives to preserve fiscal integrity. Major initiatives are outlined as follows:

Long-Term Care: Cost Containment

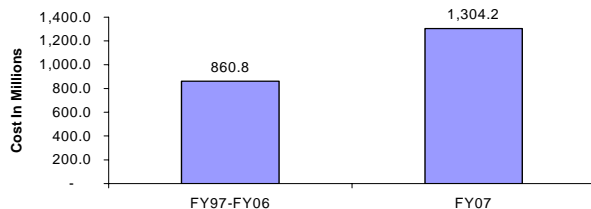
Since fiscal 2004, Medical Day Care costs have increased by 59%, making it the fastest growing, non-institutional, long-term care program. Likewise, due to a decline in federal revenue, Nursing Home costs have grown 249% over the same time period. In fiscal 2007, cost containment of \$49.5 million will be achieved in the following ways:

- Eliminating the inflation adjustment for nursing facilities and medical day care providers will result in a State savings of \$26 million.
- Federal legislation has increased the look-back period from three to five years for determining whether individuals improperly transferred assets to gain Medicaid-eligibility. This will save \$15 million of State funds.
- A reduction of non-Medicare patient days in fiscal 2006 reduced State revenue from the provider assessment from these

History of Defined Benefit Pension Contribution Costs



Defined Benefit Pension Contribution Costs



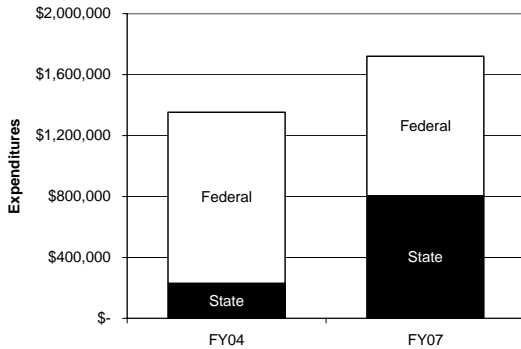
The FY07 defined benefit pension appropriation is \$443 million more than the total combined amount from FY97-06.

Cost containment measures are also being implemented in the area of health benefits for active and retired state employees and retired school district employees. These include bulk purchasing of pharmaceuticals, mandatory mail-order for maintenance drugs, mandatory use of

SUMMARIES OF APPROPRIATIONS

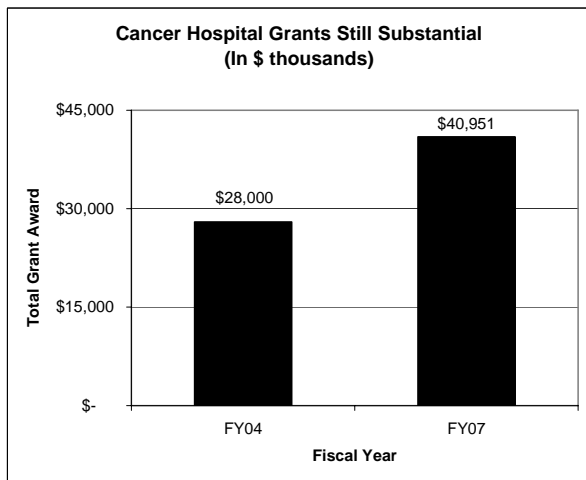
- facilities by \$8.5 million. In addition, certain facilities have not paid their share of the assessment. Payments will be reduced by this amount to cover the lost State revenue.

**State Nursing Home Cost Up 249% In Three Years
(In \$ thousands)**



Reduce Operational and Capital Portions of Cancer Hospital Grants

This reduction generates a savings of \$23.3 million by focusing the grants solely on research and reducing the funding of operations and construction. Because of unprecedented growth in this area, the remaining \$41 million base appropriation still represents a 46% increase in comparison to the original State appropriation provided in fiscal 2004.



Cancer hospital grants for costly non-research activity are reduced; however, remaining research funds are still 46% higher than fiscal 2004 level.

Reduce Hospital Assistance Grants

These grants are a one-time fiscal 2006 legislative addition that supplement other State grants and programs, such as Charity Care, and are not continued in fiscal 2007, thus saving \$69.2 million. State and federal distributions from the hospital provider tax will offset this reduction for hospitals serving high volumes of low-income Medicaid patients.

Prescription Drug Cost Containment

Since fiscal 2003, the costs for the State's prescription drug programs have been increasing 10% annually, and in fiscal 2007 total spending in this area will reach \$1.4 billion. The federal Department of Health and Human Services, Office of the Inspector General conducted a study in 2002 comparing the prices that states pay for prescription drugs for their Medicaid programs. Of the states surveyed, New Jersey paid the highest amount for generic (non-innovator multiple source), single-source brand, and multi-source brand drugs.

To counter this trend, this Budget includes pharmaceutical-related savings totaling \$145 million. As an initial step, the State will institute a bulk purchasing system to maximize our market presence and secure the best possible price. This measure is estimated to save \$75 million annually in Medicaid, the Department of Health and Senior Services (e.g., PAAD and Senior Gold), and the State Health Benefits Program and will be supplemented by several other initiatives to consolidate pharmaceutical purchasing statewide.

Drug Reimbursement Rate Adjustments

A total of \$17.1 million will be saved by switching the reimbursement methodology for prescription drugs. Currently, the State pays providers the Average Wholesale Price less 12.5%. Based on new federal guidelines, by the end of the fiscal 2007 single-source brand name drugs will be reimbursed at the federally-calculated Retail Survey Price, and generic and multi-source drugs will be reimbursed at the Average Manufacturer's Price.

Medicaid Co-pay

A savings of \$13 million will be generated by a \$2 co-pay on prescription drugs in fee-for-service and Managed Care plans. To preserve access and health for all beneficiaries, co-pays are limited to \$10 per month, and pregnant women and children are exempt from the new requirements.

Use of Generic Psychotropic Drugs

Psychotropic drugs are among the most expensive prescription drugs because of their specialized use in treating serious mental illnesses, such as schizophrenia. Despite newer versions of these drugs, recent studies have shown that the current brand-name drugs are no more effective, and in some instances less effective, than the generic alternatives. This will save the State a total of \$8.8 million.

Human Services

The fiscal 2007 Budget maintains the State's commitment to its most vulnerable citizens, particularly through new initiatives transitioning developmentally disabled and mentally ill individuals from State facilities to community-based care. This growth, however, is offset by well-reasoned and fiscally sound savings.

Hospital Provider Tax

This Budget proposes a provider assessment of 5.5% based on non-Medicare hospital revenue that will generate \$430 million. Of the total, \$215 million will become a State budget resource. The remaining \$215 million will generate federal Medicaid match, resulting in a total of \$430 million that will be distributed to hospitals in the form of higher Medicaid payments. This initiative, which will benefit hospitals that have a higher than average Medicaid client base, will require State legislation.

Developmental Centers – Revenue Enhancements

In response to legislative criticism of delays in rate reconciliation on federal match programs, the Department of Human Services elevated retroactive claiming as an administrative priority for fiscal 2006. Due to the diligence of this effort,

rates were finalized for fiscal 2001 through 2004, generating \$194 million of one-time federal revenue. Updated projections for federal Intermediate Care Facility reimbursement, which provides 50% of developmental center funds, increased revenue by an additional \$17.6 million. Collectively, these initiatives will provide a total of \$211.6 million in new resources.

Of this amount, \$94 million from prior year claiming and \$17.6 million from updated projections will be used to offset State appropriations in the seven developmental centers for a total savings of \$111.6 million. Another \$50 million will fund critical fiscal 2006 needs such as Medicaid caseload increases, fuel and utility costs in the developmental centers, and additional State Aid to county psychiatric hospitals. Finally, \$50 million will be used to provide community placements for 180 developmental center residents. This three-year initiative addresses the United States Supreme Court's *Olmstead* decision requiring care in the least-restrictive setting.

Mental Health

Last year, Governor Codey championed an historic reform of the State's mental health system designed to lead more New Jerseyans with mental illness to treatment, recovery and long-term wellness. This Budget supports the initiatives of Governor Codey's Mental Health Task Force in furtherance of mental health reform. In addition, the Budget invests \$10 million to develop essential services and community capacity to facilitate the de-institutionalization of persons living in State psychiatric hospitals consistent with the United States Supreme Court's *Olmstead* decision.

Abbott Pre-School Co-pay

Currently, the Division of Family Development (DFD) provides free after-school and summer child care to families in the 31 Abbott districts, regardless of income. This structure creates serious equity imbalances across the State by directing funds to districts in amounts that are not truly indicative of need. This Budget proposes implementing a sliding-scale co-pay for child care in Abbott districts – as is the practice in all other DFD-run child care programs – which would generate a savings of \$30 million. In fiscal

SUMMARIES OF APPROPRIATIONS

2007, 2,100 families earning \$60,000 to \$75,000 will pay 50% of the annual cost, and 5,100 families earning above \$75,000 will pay the full annual cost of approximately \$3,800 per child.

Environment

The Fiscal 2007 Budget provides a total increase of \$109 million for critical Department of Environmental Protection (DEP) programs and new initiatives.

Corporation Business Tax Dedication

A constitutional dedication of 4% of Corporation Business Tax (CBT) revenues has supported critical DEP programs for the past 10 years. In fiscal 2007 this important funding source will increase by \$53.8 million due to higher collections of CBT revenues.

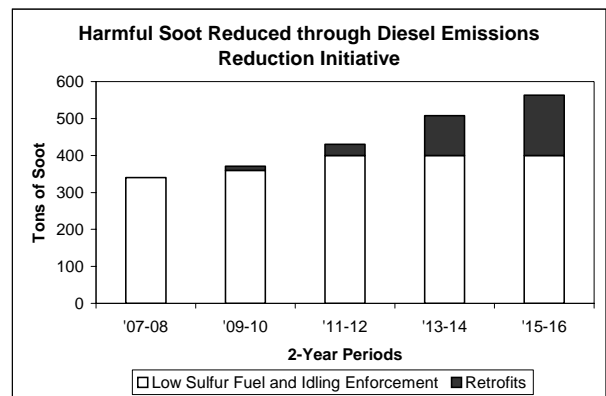
CBT Fiscal 2007 Increase:	
(In Millions)	
Diesel Emissions Reduction Program	\$22
Watershed Restoration Projects	\$5
Administrative Costs	\$5
Brownfields	\$13
Other Capital Projects	\$9
Total Increase	\$54

Along with providing additional funding for ongoing projects, such as cleanup of privately owned underground tanks, remediation of contaminated sites, and watershed monitoring and planning, the \$53.8 million increase in the CBT constitutional dedication will support two new initiatives:

Diesel Emissions Reduction

Over the next ten years, the Diesel Emissions Reduction program aims to reduce diesel exhaust emission levels through the use of ultra-low-sulfur

diesel fuel, prevention of idling, and retrofitting of 40,000 vehicles in the following categories: all school buses; garbage trucks that are publicly owned or used in a public contract; all transit and charter buses; and publicly owned on-road and non-road vehicles. By reducing exposure to diesel particulates, this new program will enable New Jersey to prevent up to 150 premature deaths each year and save up to \$1.4 billion in health care costs annually. This new program sets the framework for the most comprehensive mandatory diesel vehicle control program in the nation, and is a critical first step in reducing the risk posed by diesel emissions.



By 2016, the Diesel Emissions Reduction program will have eliminated 565 tons of soot from the atmosphere.

Watershed Restoration Projects

The Regional Stormwater Management Committees have identified over \$13 million in watershed restoration projects that are needed to address the ongoing sedimentation and pollution of impaired ponds and streams. The \$5 million Grants-In-Aid appropriation for Watershed Restoration Projects will help to address this need and successfully restore various watersheds including Lake Hopatcong, Long Swamp Creek in the Barnegat Bay Estuary, Delaware & Raritan Canal Tributaries, Wreck Pond, and Pequannock River.

Parks, Forests, Wildlife Management Areas, and Historic Sites

Recognizing the need for repairs and maintenance, an appropriation of \$40 million is proposed for fiscal 2007 for capital improvements in our state

parks, forests, wildlife management areas, and historic sites. This appropriation will provide an important step towards long-neglected capital needs and maintenance. DEP will undertake critical health and safety improvements including demolition of unsafe structures, asbestos removal, and lead abatement. Additional major projects will include restorations to State-owned historic sites, such as Batsto and Atsion Mansions, Rockingham, Waterloo Village, the historic train sheds at Liberty State Park, and DEP's most recent acquisition - the office and homestead of James Still in the Pinelands.

Water Resource Interconnection Projects

An amount of \$6 million will be appropriated to a new Water Resource Interconnection Projects program intended to protect and enhance the State's water supply through infrastructure and land acquisition projects. Some portion of this appropriation will be used to leverage approximately \$100 million in debt to finance projects required to address the State's most critical water supply needs. Major projects planned include:

- The Raritan Confluence Reservoir Project will connect Round Valley Reservoir and the confluence of the north and south branches of the Raritan River;
- An interconnection between the Central and Coastal North Drought Regions to help avert or mitigate Coastal North drought events in Southeastern Middlesex, Monmouth and Ocean Counties;
- Interconnections within the Southwest Drought Region which will extend the New Jersey American Tri-County Pipeline into Southwestern New Jersey to serve growth areas where water supplies are impacted by saltwater intrusion or contamination.

Passaic River Cleanup Litigation

To pursue the cleanup of toxic dioxin contamination in the Newark Bay Complex, the Fiscal 2007 Budget will provide an amount sufficient to cover legal and expert services, investigative expenses, and other associated costs.

For more than 20 years, Occidental Chemical and its predecessors knowingly discharged a highly toxic form of dioxin, pesticides, and other chemicals into the Passaic River from their Newark facility. The environmental and economic damage this pollution has inflicted on the state includes increased cancer risks from consuming blue claw crabs and higher costs to dredge the New York Harbor's navigational channels.

Reduced Salary Costs

As part of Governor Corzine's initiative to minimize operating costs of the State, the DEP's appropriation for salaries will be reduced by \$2.5 million. The Department will manage this reduction through more efficient reallocation of resources and staff attrition.

Impact of the Federal Budget on NJ

The President's Fiscal 2007 Budget contains major reductions in federal funding for states. If the President's proposed budget is enacted, New Jersey will see cuts in many discretionary and mandatory health, education, transportation, homeland security, labor, and justice programs. Also, several critical programs, including the Community Services Block Grant, would be eliminated. In addition to these proposed cuts, the recently enacted Deficit Reduction Act (DRA) includes new TANF mandates that will impose substantial financial burdens on the State. Finally, the State has incurred significant costs due to the serious complications that have arisen during the transition to the new Medicare Part D prescription drug program.

These critical losses of federal funding pose serious challenges for New Jersey's citizens and for the State's budget.

Medicare

The President's Fiscal 2007 Budget also imposes deep cuts in Medicare reimbursement for New Jersey's health care providers. The President's budget would reduce outpatient hospital reimbursements by \$29.2 million in fiscal 2007 and by \$384.5 million over the next five years. This potential loss of funding threatens to impact the quality care that New Jersey's hospitals

SUMMARIES OF APPROPRIATIONS

provide to our citizens. New Jersey's hospitals currently provide \$1 billion in charity care every year. Any loss of federal funding will increase financial burdens on hospitals currently struggling to make ends meet and will result in additional pressure to increase State financial assistance to the State's hospitals.

Additionally, since January 1, 2006, New Jersey has incurred almost \$130 million in expenditures to provide prescription drug coverage to Medicaid and Pharmaceutical Assistance for the Aged and Disabled (PAAD) beneficiaries who enrolled in the new Medicare Part D prescription drug benefit and whose prescription drug expenses should have been paid for by Medicare's private insurance contractors but were not because of disruptions in the transition to the new benefit. Despite the fact that the federal government has committed to reimburse New Jersey for the \$67 million it has incurred to provide emergency drug coverage to nearly 1 million Medicaid beneficiaries who are dually eligible for Medicare, no reimbursements have yet been provided. Additionally, the State continues to negotiate with the federal government for reimbursement of the \$60 million New Jersey spent to provide emergency coverage to PAAD beneficiaries who enrolled in Part D, but who were unable to access coverage under the program; however, the federal government has not yet offered a plan for reimbursing the State. As a result, it remains unclear whether New Jersey will have to seek reimbursement directly from the private drug plans that should have paid for these claims, or whether the federal government will reimburse the State for any differential between the pharmacy rates the State paid and what the plans would have paid.

Temporary Assistance for Needy Families (TANF)

While the Deficit Reduction Act maintains level funding of \$404 million for New Jersey's TANF block grant, the Act imposes new work participation requirements that would require New Jersey to increase its current caseload work participation rate from 29 percent to 50 percent. This will impose significant burdens on single parents and individuals with disabilities who face substantial barriers to work. The fiscal 2007 costs

to meet the provisions of the Act include: \$19 million to meet the new work participation requirements, \$13 million to provide child care services to parents in the new work activity slots, and \$4 million to for a new work participation validation system. These costs will be funded through \$7 million of new State appropriations and \$29 million of federal TANF and Child Care block grant funding.

No Child Left Behind

The President's Fiscal 2007 Budget dramatically underfunded the No Child Left Behind Act (NCLB) authorization by \$15.4 billion. The cumulative funding shortfall for NCLB programs would rise to \$55.7 billion, since the enactment of the law in 2002. The President's budget leaves behind nearly 71,000 New Jersey students who could be served by Title I, if the program were funded at the level promised by NCLB. New Jersey is projected to lose \$3.8 million in Title I funding under the President's proposed budget; this is particularly problematic because Title I funding is dedicated to the purpose of improving the academic achievement of low-income and educationally needy children. As the 2014 benchmark of 100% proficiency for all students draws closer, the required accountability activities at the State, district, and school levels are increasing while funding for New Jersey is decreasing. This imbalance continues to make implementation of required activities more difficult.

Afterschool Programs

While total federal funding for 21st Century Community Learning Centers would remain flat under the President's proposed budget, New Jersey's funding will be cut by 2.8%. This cut will prevent the State from awarding new grants and compromise the existing grantees' capacity to operate high quality programs and meet additional program requirements mandated by NCLB.

Special Education

In fiscal 2007, the proposed federal budget continues to retreat from its commitment to students with disabilities and the communities that educate them. Indeed, for the second year in a

row, the federal government would provide for an even smaller share of the State's total costs for special education. The federal government intends to meet only 17% of the national average expenditure per student for educating students with disabilities. This is still less than half of the 40% level that Congress committed to paying when the Individuals with Disabilities Education Act (IDEA) was first adopted 31 years ago and is down from 18% in fiscal 2006 and 19% in fiscal 2005.

Higher Education

The federal budget does not meet its share of the cost of higher education. The Pell grant, the foundation of federal need-based aid, serves 95,037 New Jersey students with \$236.2 million in grant aid. The maximum grant has been flat funded at \$4,050 for four years, even though tuitions in New Jersey and across the nation have been increasing, and this year the President again proposed no increase. As a result, the maximum Pell grant now covers only 36% of the cost of attending a four-year college.

In addition, campus-based aid programs that allow institutions to meet student need through Supplemental Education Opportunity Grants, Work Study and Perkins loans have also been flat-funded during this time, leaving little alternative to students other than incurring more debt.

Social Services Block Grant and Community Services Block Grant

New Jersey's communities rely on the critical federal funding they receive from the Social Services Block Grant (SSBG) and the Community Services Block Grant (CSBG) programs that for 25 years have funded substance abuse treatment, child care, foster care services, and services to reduce poverty. The State currently passes \$17 million of the \$50 million federal SSBG funds it receives to the counties to administer critical social services programs. The President's budget would result in a \$14.7 million reduction – almost a 30% cut – in SSBG funding for New Jersey. These proposed cuts would either require a reduction in funding to the counties and a reduction in important services, or would require the State to come up with State funds to supplant the loss of federal funding.

In addition, the President's proposed budget would also completely eliminate the CSBG, which provides \$17 million in federal funds annually to the State. With the CSBG grant it receives, New Jersey funds various health, education, and employment programs aimed at reducing poverty. This loss of federal funds will result in a decrease of critical services to assist our State's most vulnerable citizens.

MANAGEMENT EFFICIENCIES

Overview

As evidenced by this fiscal year document, New Jersey has gone about the exercise of meeting the funding needs of State government through an annual process. While Governor Corzine has served in office just two months as of this writing, he is recasting how the public's money will be managed and conserved. In essence, the proposal and enactment of a budget will be neither the beginning nor the end of the fiscal process in the Corzine Administration. Every spending line and every program in the budget has been examined, and will be repeatedly reviewed and scrutinized on an ongoing basis through the course of the fiscal year.

Through vigilant and persistent management oversight, the Corzine Administration will:

- Target waste, fraud and abuse of all spending;
- Scrutinize and challenge all expenditures for the operations of government;
- Improve the efficiency and effectiveness of government without compromising our basic services to citizens;
- Articulate and implement re-engineering strategies to achieve long term structural balance in the budget;
- Collect and maximize all federal revenues and reimbursement programs available to the State;
- Manage revenues and appropriations with transparency and openness.

Ending Pension Abuses

In his Fiscal 2006 Budget, Governor Codey committed to creating a task force to review pension and health benefits and make recommendations for savings in these rapidly growing fixed costs. Among the recommendations

of that task force were several statutory changes to the pension systems that would eliminate abuses such as tacking and double-dipping. Governor Corzine looks forward to working with the Legislature to enact these reforms, which are anticipated to produce \$3.5 million in savings. The proposed reforms include:

- Ending hired professional services pensions. Since the principal purpose of any public retirement plan is to provide adequate retirement benefits, such coverage should only be extended to "true" public employees. Professional services vendors, such as municipal attorneys, tax assessors, etc., who are retained under public contracts approved by an appointing agency, should not be eligible for a pension. These vendors simply do not meet the original purpose of the public retirement plan and should not be eligible to participate in the plan.
- Newly elected officials and political appointees would receive a defined contribution pension. Instead of the defined benefit plan that is currently offered, elected officials and political appointees should be eligible for a defined contribution plan similar to the Alternate Benefit Program available to higher education employees. A prohibition on participation in the defined benefits plan would not apply to those who have previously vested with a defined benefit pension account and who meet the annual income requirements.
- End tacking: pick your job going forward. "Tacking" is holding multiple positions at the same time in order to increase the salary base that will be used for retirement purposes. There is currently no prohibition against employees enrolling in the retirement system through multiple jobs and aggregating the salaries for the purpose of increasing their retirement

calculation. This practice cannot be continued. Employees would be required to designate a single job on which their pension would be calculated, and contributions would be derived solely from that job.

- Change the rules for obtaining pension service credit. The pension system is meant for individuals who are career employees of the State or local governments. Currently, an individual receiving a salary as low as \$1,500 per year is entitled to earn service credit in the pension system on the same basis as a full-time career employee. This low threshold has facilitated pension abuses, such as “boosting,” that occurs when members participate at a minimal level for many years and obtain a high-paying position only as they near retirement, or when members who have had a full career take a low paying job prior to retirement in order to extend years of service that are used to calculate the pension. Simply put, people who should not be earning credit in the pension system are, and that hurts everyone. Increasing the salary standard to \$5,000 or adopting a standard of 1,000 hours of service per year, as is done in private sector pensions governed by the federal Employee Retirement Income Security Act, will decrease this problem.

Compliance Measures

The Department of Human Services projects savings of \$55 million in Division of Medical Assistance and Health Services (DMAHS) and Division of Family Development (DFD) programs by bringing providers into compliance with State regulations.

DMAHS has recently found lapses in provider standards and is experiencing excessive growth and costs in certain service areas. A savings of \$50 million will be generated by establishing stricter oversight through various initiatives including: limiting and monitoring provider participation to ensure quality service and termination of low performers; auditing areas of unexpected high growth; competitively bidding a broader array of

services; providing targeted case management to high-cost clients; increasing investigative staff; and improving recoveries from third-party providers.

In fiscal 2006, a DFD auditing team reviewing Newark’s municipal General Assistance (GA) program, which provides cash assistance to singles and childless couples, identified multiple processing deficiencies, which, once corrected, resulted in a caseload reduction of 30%. These deficiencies were primarily related to improper client identification and untimely reevaluation of employment status, resulting in poor client tracking and working clients collecting benefits. A newly established five-person team will now examine all county and municipal welfare agencies, and is anticipating a 3% caseload decline for a fiscal 2007 savings of \$5 million.

General Assistance Retroactive Credit

This initiative will leverage additional federal revenue of \$14.1 million. The Department of Human Services’ Division of Medical Assistance and Health Services is retroactively claiming beneficiaries deemed Medicaid-eligible, allowing for greater federally matchable recoveries in fiscal 2007.

Enroll Institutional Medicare-only Clients into Medicare Part D

This initiative generates a savings of \$14.9 million by enrolling all Medicare-eligible institutional beneficiaries in Medicare Part D, the new federal prescription drug program. Through enrollment, the federal government will become the primary payer for nearly 3,000 individuals.

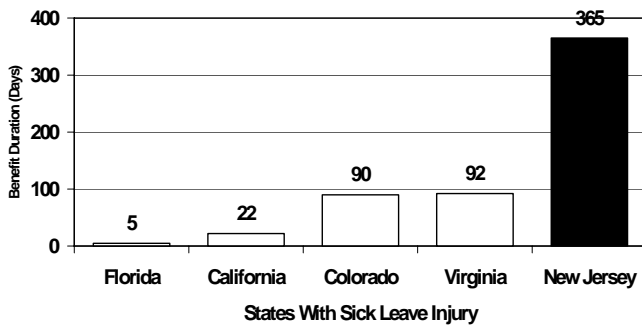
Sick Leave Injury

This Budget proposes to eliminate the Sick Leave Injury (SLI) program for a savings of \$3 million. New Jersey is one of only five states that provide a sick leave benefit at full wages in addition to Workers Compensation (WC). As opposed to WC, which pays injured employees a temporary benefit at 70% of the statewide average weekly wage (equivalent to pre-tax wage of \$50,000 per year), SLI is a salary continuation program that provides full pay to employees. This one year benefit is by

SUMMARIES OF APPROPRIATIONS

far the most generous in the country, as coverage in the four other states ranges from 5 to 90 days. From fiscal 1999 through fiscal 2000, SLI costs increased 104%, from \$4.7 million to an estimated \$9.6 million, far outpacing growth in State employees (less than 3%) and collective bargaining increases (18%). Recent audits of State benefit programs have uncovered numerous repeat claims, suggesting that the availability of dual programs for sick leave and work-related injuries encourages fraud and abuse.

NJ - Most Generous Sick Leave Injury Benefit in Nation



New Jersey's Sick Leave Injury benefit is four times longer than any other state.

Risk Management

A recent study conducted by one of New Jersey's largest joint insurance funds determined that fundamental changes were required in the State's approach to risk management, particularly in Workers Compensation (WC). According to the study, New Jersey has the second highest accident rate among state governments. The number of WC claims for State employees increased sharply in recent years, growing by 20% from 7,015 in fiscal 2000 to 8,440 in fiscal 2005. Costs rose by over \$17 million (over 40%) during the same period.

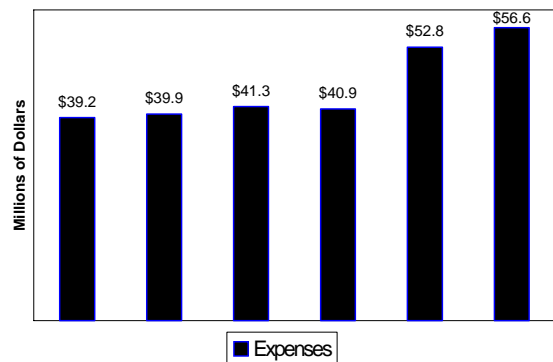
Although New Jersey was one of the first states to establish a Bureau of Risk Management (BRM) within the Department of Treasury, authority and responsibility is fragmented among several unrelated departments, including Personnel and Labor. The study further concluded that line departments have little responsibility for managing claims and even less financial accountability.

In response, BRM identified reforms in three broad areas: claims management, risk finance, and loss control. The following improvements were recently implemented:

- Electronic claims reporting to agencies to determine claim trends and causes;
- Additional staffing to aggressively investigate claims and encourage employees' return to work;
- To combat potential fraud, increased coordination with the Department of Labor and Workforce Development, to determine if injured employees are working elsewhere, and with the Department of Personnel to review Sick Leave Injury claims; and
- Improved subrogation program to increase third party recoveries.

Over the next six months, BRM will work with agencies to establish safety committees. BRM will also implement a Statewide Risk Management Committee to provide a forum for agency input, particularly in how the State should manage its risk. The goal is to arrest the growth of claims and costs, reduce fraud and abuse and, most importantly, improve worker safety.

N.J.'s Workers Compensation Expenses



N.J.'s Workers Compensation costs have risen more than 40% over six years.

Employee Telephone – Cost Recovery

The Office of Information Technology (OIT) issues paper copies of telephone billings to recover the cost of employees' personal calls. Currently, an average of only 1,200 of the State's 78,000 total employees actually pay, generating only \$115,000 per year. Printing costs alone, however, total \$360,000. To improve the efficiency of these cost recoveries, OIT is implementing a new telephone billing system that will reduce printing costs and administration. It will also highlight billing irregularities through automated management reports, as well as isolate areas of potential reimbursement and possible abuse.

Cooperative Purchasing - Computers

Treasury's Division of Purchase and Property (DPP) is actively pursuing the implementation of a strategic sourcing initiative designed to reduce the cost of purchases by leveraging the State's buying power and expanding competition among vendors. As its first order of business, DPP recently restructured the mini/micro computer contract that was awarded in 1997. New contracts will be issued to include: personal computers (PCs); ruggedized PCs; network servers and storage; wiring and cabling; IT services; and software. Statewide buying power in fiscal 2005 for these categories, including both State departments and local government expenditures, is estimated at more than \$500 million, of which at least \$217 million was from State departments. The new cooperative purchasing contracts are expected to generate millions in savings for both State departments and local governments in fiscal 2007. For localities, this represents a key opportunity to offset the rising cost of municipal services, one that can be maximized only by their full participation. DPP plans to reconstruct other state contracts to realize additional cost benefits.

Cooperative Purchasing –Local Energy Aggregation

In fiscal 2003, the State implemented the Consolidated Energy Savings Program (NJCESP), joining with New Jersey Transit, public colleges,

and toll road authorities to buy natural gas and electrical power in bulk. These contracts provide two primary benefits: price certainty and potential cost avoidance. When compared to the normal power rates charged by utilities, cost avoidance under NJCESP has averaged 14% for electricity and 13% for natural gas over the life of the contracts. These savings could be increased and extended to benefit localities (e.g., municipal governments and school districts, but not residences) if towns were permitted to join NJCESP on a voluntary basis. That concept is authorized in pending legislation (S-1448, sponsored by State Senator Martha Bark) that is currently before the State Senate Economic Growth Committee. This bill, which unanimously passed the State Senate in 2005, would concentrate the energy needs of State and local facilities, thus maximizing market presence to ensure the best price possible. It would also provide more sophisticated contracting techniques/strategies vis-à-vis suppliers, and reduce administrative costs. Essentially, this legislation would provide another tool for localities to use to arrest the rising cost of local services.

Parking – Maximizing Existing Space

Presently, there are approximately 300 empty parking spaces in State-owned parking lots at Perry Street in Trenton. Separately, agencies have arranged for "waiver parking," which exceeds the standard allotment as allocated by Treasury's Division of Property Management, at a cost of over \$5 million annually. The State could save \$325,000 annually by simply reducing waiver parking and shifting affected employees to the Perry Street facility.

In addition, this Budget increases the Department of Banking and Insurance's existing annual assessment on the insurance industry by \$180,000 to properly charge the pro-rated portion of parking at the State's Bank Street garage in Trenton that is attributable to its Insurance-related employees. An analysis is ongoing to determine if other non-State programs are similarly situated.

SUMMARIES OF APPROPRIATIONS

Business Employment Incentive Program

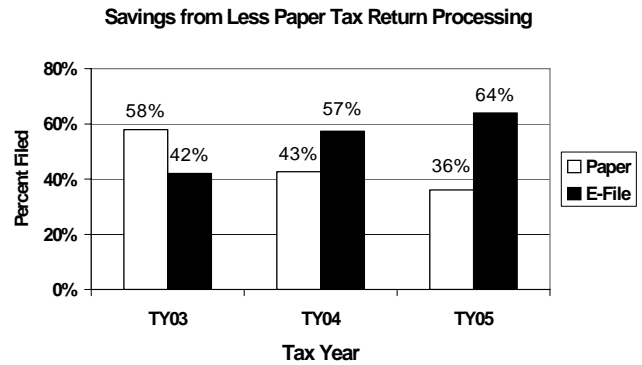
This Budget restores direct funding of the Business Employment Incentive Program (BEIP), reversing an expensive trend of using debt to pay for these grants. The BEIP offers incentives to attract out-of-state businesses to New Jersey and to retain those already in the State. Businesses that meet their job creation and retention commitments are entitled to a portion of the increased State income tax revenue these jobs generate. Since fiscal 1997, nearly 250 companies have committed to creating or retaining more than 58,000 jobs in the State. Since fiscal 1999, over 150 businesses have met their job commitments and been awarded rebates totaling \$253 million.

Because BEIP was viewed as too expensive for past State budgets, over \$300 million in debt has been issued since 2003 to pay for the rebates. Faced with escalating BEIP debt service of over \$48 million in fiscal 2007, this Administration has chosen to discontinue future debt financing and return to paying for BEIP rebates from the current year income tax revenues that the BEIP businesses generate. In fiscal 2007, income tax revenues generated by the BEIP program are expected to far exceed the estimated \$152 million that will be rebated back to these businesses.

Electronic Filing

Electronic filing/payment processing, or “e-filing,” enables the Department of Treasury to reduce its expenditures for paper handling tasks while increasing the speed and accuracy of services for taxpayers and employers. Specifically, e-filing eliminates manual tasks such as mail receipt and extraction, return screening, scanning, and data entry/verification. This, in turn, results in reduced outlays for staff, equipment, and contract services that support manual and semi-automated processing operations. In fiscal 2007, the threshold at which employers must e-file their quarterly wage reports will be reduced from ten to five employees, and tax practitioners who prepare 100 or more income tax returns also will be required to e-file. As a result, savings of \$1.3 million is projected. As a critical first step, enactment of legislation is required so that the

Division of Taxation may mandate and enforce e-filing for various tax systems. Ultimately, this initiative may also be expanded to include other agencies, such as the Department of Labor and Workforce Development, which may further reduce e-filing thresholds for employer wage reports.



NJ expects an FY07 savings of \$1.3m in processing costs due to the increasing popularity of e-filing.

Motor Vehicle Commission Management Efficiencies

The Motor Vehicle Commission (MVC) is planning a statewide initiative that would result in shorter motorist waiting times and eliminate the inconvenience and expense of a second trip to an inspection station for over 126,000 drivers. The proposal would eliminate the requirement of a re-inspection for minor safety violations (e.g., parking lights, wipers) and issue an advisory notifying the motorist of the violations. This initiative, which is subject to a public comment and rulemaking process, would effectuate a budget savings of approximately \$3.5 million.

Efficiencies planned by the MVC in fiscal 2007 for advertising, overtime, and postage total \$2.4 million. Reduced advertising expenditures will generate a savings of \$1 million. The MVC processes an average of 15 to 17 million pieces of mail annually. This includes Drivers License Renewals, Registration Renewals, Vehicle Titles, Change of Address Labels, Violation Documents, and Registration Certificates. Mailroom

modernization, related to sorting equipment, will save \$760,000 through efficiency in staffing and reduced overtime costs. Limiting the postage, by minimizing the number of inserts included in mailings, will reduce the standard weight of a single mailing from over two ounces to less than one ounce, generating a savings of \$600,000.

Reuse/Refurbishment of Furniture

The first phase of the consolidation of warehouse/records space, which was initiated in fiscal 2006, has been completed. Annual savings of over \$800,000 will be realized in the Central Rent budget as projected. During this consolidation, all excess or surplus furniture previously stored by departments individually in separate areas was consolidated into a "common stock" furniture section at the First Avenue warehouse in Trenton.

Simple repairs/cleaning/refurbishment of this furniture is being done by existing staff and then sorted by type and manufacturer. All departments have been notified and, before placing new orders, can now select appropriate furniture from this warehouse at no additional cost to the State. In the first nine months this project has been in effect, furniture purchases of almost \$1 million have been avoided.

In fiscal 2007, it is projected that over \$1.5 million worth of new furniture purchases can be avoided due to this project.

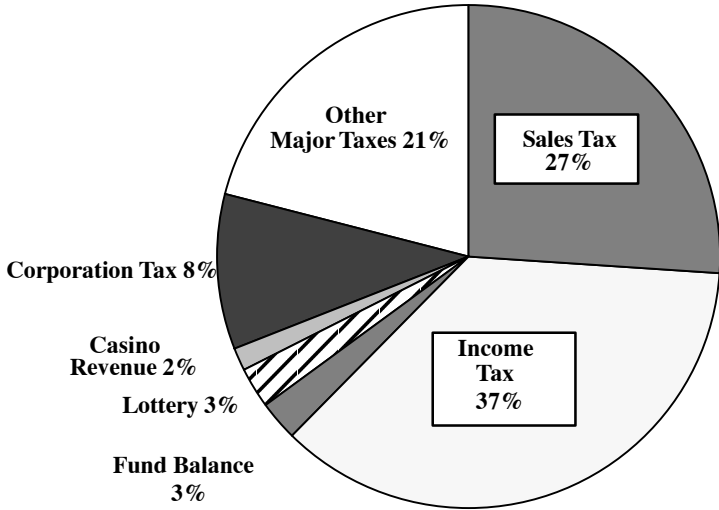
Statewide Management Efficiencies

The Budget assumes \$50 million in savings from management efficiencies in fiscal 2007. Taxpayer dollars should be expended wisely and only after painstaking efforts to conserve and preserve fiscal resources. New Jersey government has both the responsibility and capability to operate at peak efficiency, although it appears to fall short. To improve the efficiency and effectiveness of the State's operations requires a continuous and vigilant effort to find and harness the economies of scale in the day-to-day functions of government. For fiscal 2007, stepped-up efforts will be initiated to consolidate the operations and functions of state government agencies. These efforts will include, but not be limited to: ongoing and comprehensive reviews of fixed costs; pursuit of economies on materials, supplies, equipment, communications systems, and other operational tools of government; greater coordination and consolidation among agencies; and the elimination of duplication and waste. For example, one such initiative will include redeployment of the State vehicle fleet by the Department of Treasury Central Motor Pool. Treasury intends to recall ten percent of the State's 6,145 passenger vehicles (614 vehicles) which will be sold at auction.

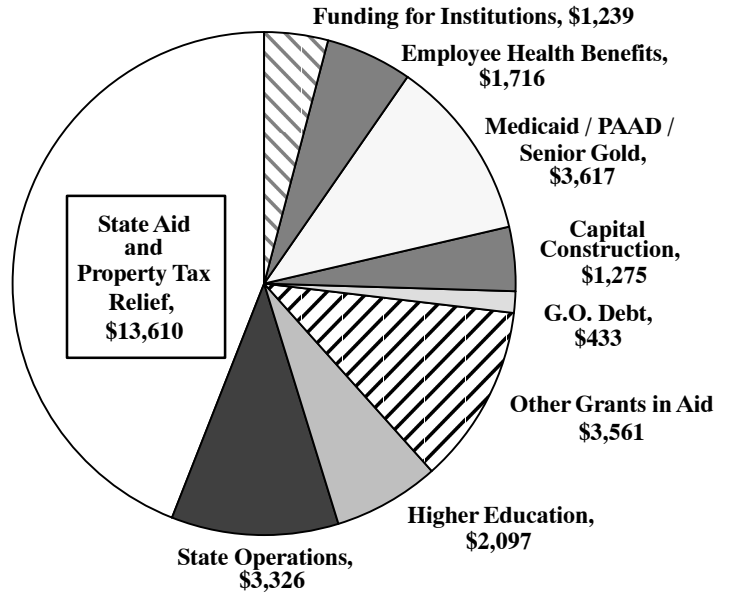
SUMMARIES OF APPROPRIATIONS

**RESOURCES AND RECOMMENDATIONS FOR FISCAL YEAR 2007
ALL STATE FUNDS**

Resources



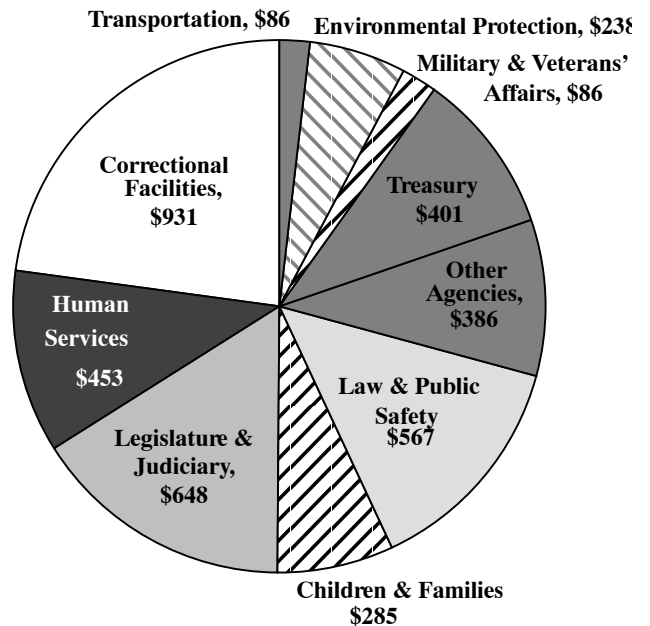
**Recommendations
(Millions of Dollars)**



**RESOURCES
(Thousands of Dollars)**

Income Tax	\$11,615,000
Sales Tax	8,377,000
Corporation and Bank Tax	2,648,000
Lottery Revenue	836,000
Casino Revenue	468,000
Other Major Taxes:	
Motor Fuels	554,000
Transfer Inheritance	539,000
Cigarette	491,000
Realty Transfer	476,000
Insurance Premium	462,000
Motor Vehicle Fees	275,000
Petroleum Products Gross Receipts	252,000
Alcoholic Beverage Excise	106,000
Tobacco Products Wholesale Sales	14,000
Public Utility Excise	10,000
Other Resources	3,528,691
Subtotal Resources	30,651,691
Estimated Fund Balance July 1, 2006:	
General Fund	514,628
Surplus Revenue Fund	300,372
Casino Control Fund	8,527
TOTAL	\$31,475,218

**STATE OPERATIONS
(Millions of Dollars)**



SUMMARIES OF APPROPRIATIONS

TABLE I
SUMMARY OF FISCAL YEAR 2006–2007 APPROPRIATION RECOMMENDATION
(thousands of dollars)

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

	2006 Adjusted Approp.	2007 Recommended	Change	
			Dollar	Percent
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	20,449,890	22,373,145	1,923,255	% 9.4
State Operations				
Executive Branch	3,464,171	3,360,655	-103,516	-3.0
Legislature	76,221	76,221	—	—
Judiciary	571,750	571,750	—	—
Interdepartmental	1,867,233	2,244,943	377,710	20.2
Total State Operations	5,979,375	6,253,569	274,194	% 4.6
Capital Construction	1,091,220	1,274,893	183,673	16.8
Debt Service	169,326	432,785	263,459	155.6
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND				
	27,689,811	30,334,392	2,644,581	% 9.6
CASINO CONTROL FUND	72,039	72,039	—	—
CASINO REVENUE FUND	500,941	468,087	-32,854	-6.6
GUBERNATORIAL ELECTIONS FUND	2,525	—	-2,525	-100.0
GRAND TOTAL STATE APPROPRIATIONS	28,265,316	30,874,518	2,609,202	% 9.2

TABLE II
SUMMARY OF FISCAL YEAR 2006–07 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, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
General Fund							
5,796,194	512,547	21,751	6,330,492	6,004,180	5,979,375	6,261,696	6,253,569
7,902,194	408,179	9,350	8,319,723	8,063,658	8,165,114	8,853,127	8,563,099
3,232,897	59,963	-110,354	3,182,506	3,125,889	1,925,276	2,245,942	2,195,046
1,104,633	189,422	17,671	1,311,726	1,106,110	1,091,220	1,274,893	1,274,893
270,179	—	-8,151	262,028	260,336	169,326	432,785	432,785
18,306,097	1,170,111	-69,733	19,406,475	18,560,173	17,330,311	19,068,443	18,719,392
Property Tax Relief Fund					10,359,500	11,615,000	11,615,000
9,761,500	5,765	84,694	9,851,959	9,284,031	72,039	72,039	72,039
68,500	956	—	69,456	68,277	500,941	468,087	468,087
499,836	143,596	—	643,432	643,060	2,525	—	—
8,870	—	—	8,870	6,310			
28,644,803	1,320,428	14,961	29,980,192	28,561,851	28,265,316	31,223,569	30,874,518
GRAND TOTAL STATE APPROPRIATIONS							

SUMMARIES OF APPROPRIATIONS

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

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

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>							
Legislative Branch							
11,494	2,329	150	13,973	10,966	12,269	12,269	12,269
18,905	2,542	250	21,697	18,250	18,692	18,692	18,692
28,372	2,815	932	32,119	31,454	29,991	29,991	29,991
14,730	6,596	-39	21,287	14,357	15,269	15,269	15,269
73,501	14,282	1,293	89,076	75,027	76,221	76,221	76,221
Executive Branch							
5,267	977	187	6,431	5,133	5,183	4,924	4,924
9,123	2,257	683	12,063	11,403	9,569	8,994	8,994
67,703	7,686	—	75,389	64,386	68,033	67,965	67,965
230,939	—	10,258	241,197	241,114	191,881	285,046	285,046
35,969	35,426	-4,905	66,490	53,081	37,811	36,914	36,914
881,282	1,590	18,145	901,017	898,264	938,166	931,420	931,420
60,436	3,284	14,593	78,313	69,313	62,368	62,042	62,042
217,273	34,215	15,181	266,669	251,306	226,918	238,217	238,217
75,947	11,624	11,206	98,777	95,063	65,743	73,797	73,797
75,076	11,593	11,078	97,747	94,084	64,872	72,926	72,926
871	31	128	1,030	979	871	871	871
565,540	16,089	57,355	638,984	623,960	598,515	453,381	453,381
60,242	53,199	888	114,329	107,749	62,072	61,849	61,849
536,278	167,931	17,052	721,261	620,752	585,571	566,953	566,953
495,587	167,753	17,052	680,392	579,984	542,880	524,262	524,262
40,599	178	—	40,777	40,676	42,599	42,599	42,599
92	—	—	92	92	92	92	92
81,881	4,294	1,744	87,919	84,217	88,280	86,411	86,411
25,448	6,939	—	32,387	30,535	25,463	23,990	23,990
13,790	2,437	-325	15,902	13,164	16,220	19,420	19,420
32,729	1,116	845	34,690	32,925	28,116	31,514	23,387
110,288	5,997	2,951	119,236	118,513	103,955	86,448	86,448
409,808	67,996	4,069	481,873	452,543	421,877	401,092	401,092
381,907	67,218	4,069	453,194	424,942	392,437	371,652	371,652
27,901	778	—	28,679	27,601	29,440	29,440	29,440
1,390	3	6	1,399	1,399	1,432	1,407	1,407
3,421,333	423,060	149,933	3,994,326	3,774,820	3,537,173	3,441,784	3,433,657
3,351,870	422,073	149,805	3,923,748	3,705,472	3,464,171	3,368,782	3,360,655
68,500	956	—	69,456	68,277	72,039	72,039	72,039
963	31	128	1,122	1,071	963	963	963

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Inter-Departmental Accounts								
153,023	134	—	153,157	150,856	Property Rentals	146,320	158,690	158,690
103,911	7,214	-1	111,124	94,206	Insurance and Other Services	103,011	106,711	106,711
1,357,386	19,008	605	1,376,999	1,368,281	Employee Benefits	1,495,797	1,716,124	1,716,124
55,469	761	-6,985	49,245	33,516	Other Inter-Departmental Accounts	79,421	77,142	77,142
137,280	33,860	-126,027	45,113	5,717	Salary Increases and Other Benefits	7,500	135,360	135,360
31,681	2,212	—	33,893	33,893	Utilities and Other Services	35,184	50,916	50,916
1,838,750	63,189	-132,408	1,769,531	1,686,469	Total Inter-Departmental Accounts	1,867,233	2,244,943	2,244,943
Judicial Branch								
532,073	13,003	3,061	548,137	537,212	The Judiciary	571,750	571,750	571,750
5,865,657	513,534	21,879	6,401,070	6,073,528	Total Direct State Services	6,052,377	6,334,698	6,326,571
5,796,194	512,547	21,751	6,330,492	6,004,180	(From General Fund)	5,979,375	6,261,696	6,253,569
68,500	956	—	69,456	68,277	(From Casino Control Fund)	72,039	72,039	72,039
963	31	128	1,122	1,071	(From Casino Revenue Fund)	963	963	963
<u>GRANTS-IN-AID</u>								
Executive Branch								
2,755	92	182	3,029	2,688	Department of Agriculture	1,575	5,025	5,025
415,155	—	16,754	431,909	431,558	Department of Children and Families	547,372	679,769	679,769
69,005	10,163	9,997	89,165	61,118	Department of Community Affairs	55,710	63,760	63,760
113,599	2,219	1,950	117,768	116,618	Department of Corrections	138,383	133,151	133,151
25,544	—	396	25,940	25,277	Department of Education	18,129	41,813	41,813
16,250	8,207	-5,980	18,477	13,491	Department of Environmental Protection	750	33,165	33,165
1,837,841	170,369	-830	2,007,380	1,940,408	Department of Health and Senior Services	1,624,988	1,859,112	1,859,112
1,485,432	26,804	-702	1,511,534	1,444,773	(From General Fund)	1,274,646	1,542,202	1,542,202
352,409	143,565	-128	495,846	495,635	(From Casino Revenue Fund)	350,342	316,910	316,910
3,303,048	335,272	798	3,639,118	3,591,061	Department of Human Services	3,536,989	3,461,642	3,461,642
3,184,311	335,272	798	3,520,381	3,472,434	(From General Fund)	3,424,145	3,348,798	3,348,798
118,737	—	—	118,737	118,627	(From Casino Revenue Fund)	112,844	112,844	112,844
45,603	—	341	45,944	41,944	Department of Labor and Workforce Development	47,282	54,282	54,282
43,163	—	341	43,504	39,504	(From General Fund)	44,842	51,842	51,842
2,440	—	—	2,440	2,440	(From Casino Revenue Fund)	2,440	2,440	2,440
28,178	—	81	28,259	25,399	Department of Law and Public Safety	23,702	21,379	21,379
19,308	—	81	19,389	19,089	(From General Fund)	21,177	21,379	21,379
8,870	—	—	8,870	6,310	(From Gubernatorial Elections Fund)	2,525	—	—
1,044	62	1	1,107	1,073	Department of Military and Veterans' Affairs	1,544	1,544	1,544
1,158,257	21,695	28,891	1,208,843	1,179,280	Department of State	1,288,348	1,401,649	1,133,287
278,700	1,655	45	280,400	278,791	Department of Transportation	273,700	300,700	300,700
2,398,523	117	3,279	2,401,919	1,821,795	Department of the Treasury	1,029,865	1,740,039	1,718,373
235,812	93	3,279	239,184	211,950	(From General Fund)	239,977	399,851	378,185
2,162,711	24	—	2,162,735	1,609,845	(From Property Tax Relief Fund)	789,888	1,340,188	1,340,188
9,693,502	549,851	55,905	10,299,258	9,530,501	Total Executive Branch	8,588,337	9,797,030	9,507,002
7,048,335	406,262	56,033	7,510,630	7,297,644	(From General Fund)	7,330,298	8,024,648	7,734,620
2,162,711	24	—	2,162,735	1,609,845	(From Property Tax Relief Fund)	789,888	1,340,188	1,340,188
473,586	143,565	-128	617,023	616,702	(From Casino Revenue Fund)	465,626	432,194	432,194
8,870	—	—	8,870	6,310	(From Gubernatorial Elections Fund)	2,525	—	—

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID								
Inter-Departmental Accounts								
619,292	179	-1,868	617,603	615,500	Employee Benefits	673,658	683,358	683,358
114,198	—	-14,157	100,041	59,326	Other Inter-Departmental Accounts	54,925	14,925	14,925
31,158	—	-31,158	—	—	Salary Increases and Other Benefits	—	—	—
89,211	1,738	—	90,949	90,688	Aid to Independent Authorities	106,233	130,196	130,196
853,859	1,917	-47,183	808,593	765,514	Total Inter-Departmental Accounts	834,816	828,479	828,479
Judicial Branch								
—	—	500	500	500	The Judiciary	—	—	—
—	—	500	500	500	Total Judicial Branch	—	—	—
10,547,361	551,768	9,222	11,108,351	10,296,515	Total Grants-in-Aid	9,423,153	10,625,509	10,335,481
7,902,194	408,179	9,350	8,319,723	8,063,658	(From General Fund)	8,165,114	8,853,127	8,563,099
2,162,711	24	—	2,162,735	1,609,845	(From Property Tax Relief Fund)	789,888	1,340,188	1,340,188
473,386	143,565	-128	617,023	616,702	(From Casino Revenue Fund)	465,626	432,194	432,194
8,870	—	—	8,870	6,310	(From gubernatorial Elections Fund)	2,525	—	—
STATE AID								
Executive Branch								
11,085	331	-48	11,368	10,345	Department of Agriculture	11,727	11,727	11,727
1,032,765	25,750	-953	1,057,562	1,050,857	Department of Community Affairs	1,100,015	1,057,368	1,057,368
103,196	25,750	-18,220	110,726	106,535	(From General Fund)	107,446	92,196	92,196
929,569	—	17,267	946,836	944,322	(From Property Tax Relief Fund)	992,569	965,172	965,172
8,882,235	11,314	-18,527	8,875,022	8,857,738	Department of Education	9,384,942	10,424,820	10,424,820
2,385,849	5,573	-93,915	2,297,507	2,291,403	(From General Fund)	983,919	1,282,814	1,282,814
6,496,386	5,741	75,388	6,577,515	6,566,335	(From Property Tax Relief Fund)	8,401,023	9,142,006	9,142,006
20,707	32	150	20,889	20,619	Department of Environmental Protection	19,222	20,566	20,566
12,207	32	150	12,389	12,162	(From General Fund)	10,222	11,066	11,066
8,500	—	—	8,500	8,457	(From Property Tax Relief Fund)	9,000	9,500	9,500
9,508	—	—	9,508	9,269	Department of Health and Senior Services	9,552	9,552	9,552
370,567	9,014	833	380,414	379,793	Department of Human Services	468,879	428,123	428,123
1,624	—	—	1,624	1,624	Department of Labor and Workforce Development	1,522	1,522	1,522
14,820	10,984	1,629	27,433	12,453	Department of Law and Public Safety	8,030	28,030	28,030
16,827	—	—	16,827	16,598	Department of State	18,537	38,160	18,520
25,287	—	—	25,287	25,287	Department of Transportation	34,352	34,930	34,930
25,287	—	—	25,287	25,287	(From Casino Revenue Fund)	34,352	34,930	34,930
471,548	8,279	-8,744	471,083	440,779	Department of the Treasury	472,462	500,886	469,630
307,214	8,279	-783	314,710	285,707	(From General Fund)	305,442	342,752	311,496
164,334	—	-7,961	156,373	155,072	(From Property Tax Relief Fund)	167,020	158,134	158,134
10,856,973	65,704	-25,660	10,897,017	10,825,362	Total Executive Branch	11,529,240	12,555,684	12,504,788
3,232,897	59,963	-110,354	3,182,506	3,125,889	(From General Fund)	1,925,276	2,245,942	2,195,046
7,598,789	5,741	84,694	7,689,224	7,674,186	(From Property Tax Relief Fund)	9,569,612	10,274,812	10,274,812
25,287	—	—	25,287	25,287	(From Casino Revenue Fund)	34,352	34,930	34,930
10,856,973	65,704	-25,660	10,897,017	10,825,362	Total State Aid	11,529,240	12,555,684	12,504,788
3,232,897	59,963	-110,354	3,182,506	3,125,889	(From General Fund)	1,925,276	2,245,942	2,195,046
7,598,789	5,741	84,694	7,689,224	7,674,186	(From Property Tax Relief Fund)	9,569,612	10,274,812	10,274,812
25,287	—	—	25,287	25,287	(From Casino Revenue Fund)	34,352	34,930	34,930

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended			Requested	Recom- mended
CAPITAL CONSTRUCTION								
Legislative Branch								
—	2,363	—	2,363	2,190	Legislative Support Services	—	—	—
—	2,363	—	2,363	2,190	Total Legislative Branch	—	—	—
Executive Branch								
—	1,142	—	1,142	150	Department of Agriculture	—	250	250
—	—	—	—	—	Department of Children and Families	—	10,000	10,000
500	6,359	—	6,859	1,710	Department of Corrections	5,000	—	—
—	946	—	946	166	Department of Education	1,050	2,450	2,450
116,453	100,273	-9,730	206,996	89,837	Department of Environmental Protection	84,263	147,767	147,767
—	752	—	752	327	Department of Health and Senior Services	—	—	—
10,400	18,727	—	29,127	14,112	Department of Human Services	11,600	7,700	7,700
—	18,246	3,000	21,246	10,790	Department of Law and Public Safety	4,805	1,500	1,500
2,627	812	505	3,944	1,143	Department of Military and Veterans' Affairs	175	2,590	2,590
—	2	—	2	—	Department of Personnel	—	—	—
1,000	122	300	1,422	971	Department of State	—	—	—
805,000	—	—	805,000	805,000	Department of Transportation	805,000	895,000	895,000
—	5,318	5,954	11,272	5,825	Department of the Treasury	—	—	—
—	2	—	2	—	Miscellaneous Commissions	—	—	—
935,980	152,701	29	1,088,710	930,031	Total Executive Branch	911,893	1,067,257	1,067,257
Inter-Departmental Accounts								
168,653	34,358	17,642	220,653	173,889	Capital Projects – Statewide	179,327	207,636	207,636
168,653	34,358	17,642	220,653	173,889	Total Inter-Departmental Accounts	179,327	207,636	207,636
1,104,633	189,422	17,671	1,311,726	1,106,110	Total Capital Construction	1,091,220	1,274,893	1,274,893
DEBT SERVICE								
Executive Branch								
37,660	—	3,577	41,237	39,715	Department of Environmental Protection	24,675	64,664	64,664
232,519	—	-11,728	220,791	220,621	Department of the Treasury	144,651	368,121	368,121
270,179	—	-8,151	262,028	260,336	Total Executive Branch	169,326	432,785	432,785
270,179	—	-8,151	262,028	260,336	Total Debt Service	169,326	432,785	432,785
28,644,803	1,320,428	14,961	29,980,192	28,561,851	GRAND TOTAL-STATE APPROPRIATIONS	28,265,316	31,223,569	30,874,518
18,306,097	1,170,111	-69,733	19,406,475	18,560,173	(From General Fund)	17,330,311	19,068,443	18,719,392
68,500	956	—	69,456	68,277	(From Casino Control Fund)	72,039	72,039	72,039
9,761,500	5,765	84,694	9,851,959	9,284,031	(From Property Tax Relief Fund)	10,359,500	11,615,000	11,615,000
499,836	143,596	—	643,432	643,060	(From Casino Revenue Fund)	500,941	468,087	468,087
8,870	—	—	8,870	6,310	(From Gubernatorial Elections Fund)	2,525	—	—

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.

	2005 Expenditures	2006 Adjusted Appropriation	2007 Requested	2007 Recom- mended
General Fund—				
Direct State Services—				
Personal Services	2,746,902	2,837,267	2,833,683	2,832,845
Materials and Supplies	232,266	210,735	223,809	223,620
Services Other Than Personal	456,309	431,443	439,010	438,922
Maintenance and Fixed Charges	242,989	231,775	238,297	238,246
Improvements and Equipment	50,376	37,164	30,749	30,703
Employee Pension and Health Benefits	1,368,281	1,495,797	1,716,124	1,716,124
Human Services Programs	55,556	28,672	23,746	23,746
Other	851,501	706,522	756,278	749,363
<i>Total Direct State Services</i>	<i>6,004,180</i>	<i>5,979,375</i>	<i>6,261,696</i>	<i>6,253,569</i>
Grants-in-Aid—				
Employee Pension and Health Benefits	615,500	673,658	673,658	673,658
Rutgers, The State University	326,961	356,250	349,400	300,329
University of Medicine and Dentistry of New Jersey	215,150	242,939	273,131	194,165
New Jersey Institute of Technology	50,312	51,512	60,532	45,752
State Colleges	288,197	300,352	383,855	267,340
Other Higher Education Programs	82,550	89,559	108,173	98,768
Transit Subsidy	278,791	273,700	300,700	300,700
Student Aid—Scholarships and Grants	252,045	289,535	292,933	290,183
Support of Independent Higher Education Institutions	25,359	25,959	31,919	13,378
Correctional Facilities	116,618	138,383	133,151	133,151
Support of the Arts	28,903	30,030	23,562	23,562
Income Maintenance Management	244,887	248,574	257,991	257,991
Medicaid and Pharmaceutical Assistance to the Aged and Disabled	3,344,466	3,250,008	3,242,489	3,242,489
Children's Services	431,558	547,372	674,769	674,769
Services for the Developmentally Disabled	476,690	471,484	492,526	492,526
Mental Health Services	251,726	289,872	266,133	266,133
AIDS Control	33,374	34,351	31,651	31,651
Other Human Services Programs	52,287	56,093	49,206	49,206
Other	948,284	795,483	1,207,348	1,207,348
<i>Total Grants-in-Aid</i>	<i>8,063,658</i>	<i>8,165,114</i>	<i>8,853,127</i>	<i>8,563,099</i>
State Aid—				
Educational	2,536,474	1,240,092	1,612,840	1,561,944
Welfare	268,349	352,304	299,548	299,548
Health and Senior Services and Human Services	120,713	126,127	138,127	138,127
Payment to Counties and Municipalities	176,738	189,501	157,331	157,331
Other	23,615	17,252	38,096	38,096
<i>Total State Aid</i>	<i>3,125,889</i>	<i>1,925,276</i>	<i>2,245,942</i>	<i>2,195,046</i>

SUMMARIES OF APPROPRIATIONS

	2005 Expenditures	2006 Adjusted Appropriation	2007 Requested	2007 Recom- mended
Capital Construction—				
Transportation Trust Fund	805,000	805,000	895,000	895,000
Environmental	—	—	40,000	40,000
Educational	166	1,050	2,450	2,450
Institutional	15,822	16,600	7,700	7,700
Constitutionally Dedicated Projects	177,484	182,263	205,767	205,767
All Other	107,638	86,307	123,976	123,976
<i>Total Capital Construction</i>	<u>1,106,110</u>	<u>1,091,220</u>	<u>1,274,893</u>	<u>1,274,893</u>
Debt Service—				
Principal	104,712	13,670	254,246	254,246
Interest	155,624	155,656	178,539	178,539
<i>Total Debt Service</i>	<u>260,336</u>	<u>169,326</u>	<u>432,785</u>	<u>432,785</u>
<i>Total General Fund</i>	<u>18,560,173</u>	<u>17,330,311</u>	<u>19,068,443</u>	<u>18,719,392</u>
Property Tax Relief Fund—				
Homestead Rebates	1,609,845	789,888	1,340,188	1,340,188
Educational	6,566,335	8,401,023	9,142,006	9,142,006
Payments to Municipalities	1,107,851	1,168,589	1,132,806	1,132,806
<i>Total Property Tax Relief Fund</i>	<u>9,284,031</u>	<u>10,359,500</u>	<u>11,615,000</u>	<u>11,615,000</u>
Casino Control Fund – Direct State Services—				
Enforcement	40,676	42,599	42,599	42,599
Administration	27,601	29,440	29,440	29,440
<i>Total Casino Control Fund – Direct State Services</i>	<u>68,277</u>	<u>72,039</u>	<u>72,039</u>	<u>72,039</u>
Casino Revenue Fund—				
Programs for Senior Citizens and the Disabled	643,060	500,941	468,087	468,087
<i>Total Casino Revenue Fund</i>	<u>643,060</u>	<u>500,941</u>	<u>468,087</u>	<u>468,087</u>
Gubernatorial Elections Fund – Grants–In–Aid—				
Public Financing of Gubernatorial General Election	6,310	2,525	—	—
<i>Total Gubernatorial Elections Fund – Grants–In–Aid</i>	<u>6,310</u>	<u>2,525</u>	<u>—</u>	<u>—</u>
GRAND TOTAL STATE APPROPRIATIONS	<u>28,561,851</u>	<u>28,265,316</u>	<u>31,223,569</u>	<u>30,874,518</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.

Orig. & (S) Supplemental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended			Requested	Recommended
GENERAL FUND								
Direct State Services								
10. Public Safety and Criminal Justice								
					11. Vehicular Safety			
316,203	25,048	9,581	350,832	338,370	12. Law Enforcement	344,615	338,250	338,250
10,787	7,171	1,216	19,174	12,909	13. Special Law Enforcement Activities	10,556	8,667	8,667
17,891	2,306	460	20,657	19,064	14. Military Services	18,082	16,447	16,447
532,073	13,003	3,061	548,137	537,212	15. Judicial Services	571,750	571,750	571,750
809,126	854	14,523	824,503	821,775	16. Detention and Rehabilitation	854,841	850,496	850,496
55,473	701	1,401	57,575	57,550	17. Parole	64,617	62,221	62,221
91,362	41	2,533	93,936	93,931	18. Juvenile Services	98,381	97,025	97,025
32,127	35	5,564	37,726	35,558	19. Central Planning, Direction and Management	36,633	39,879	39,879
1,865,042	49,159	38,339	1,952,540	1,916,369	Total Appropriation	1,999,475	1,984,735	1,984,735
20. Physical and Mental Health								
49,878	2,562	3,750	56,190	55,757	21. Health Services	44,504	44,604	44,604
5,074	8,372	-5,641	7,805	7,550	22. Health Planning and Evaluation	3,874	8,444	8,444
256,913	997	30,778	288,688	287,695	23. Mental Health Services	268,737	264,015	264,015
23,345	8,514	3,609	35,468	31,369	24. Special Health Services	26,221	25,779	25,779
4,688	20	4,529	9,237	9,170	25. Health Administration	5,238	3,767	3,767
15,436	639	8,440	24,515	21,607	26. Senior Services	11,256	16,111	16,111
984	—	—	984	984	27. Disability Services	1,096	1,096	1,096
356,318	21,104	45,465	422,887	414,132	Total Appropriation	360,926	363,816	363,816
30. Educational, Cultural, and Intellectual Development								
266	—	14	280	280	31. Direct Educational Services and Assistance	284	284	284
237,565	358	-19,600	218,323	214,552	32. Operation and Support of Educational Institutions	220,503	97,705	97,705
8,612	733	-155	9,190	9,098	33. Supplemental Education and Training Programs	9,418	9,418	9,418
40,598	2,305	13,441	56,344	49,501	34. Educational Support Services	41,273	43,231	43,231
16,396	905	1,180	18,481	16,326	35. Education Administration and Management	17,396	14,997	14,997
3,659	304	112	4,075	3,941	36. Higher Educational Services	4,761	3,562	3,412
19,921	—	600	20,521	20,516	37. Cultural and Intellectual Development Services	14,837	21,616	13,639
327,017	4,605	-4,408	327,214	314,214	Total Appropriation	308,472	190,813	182,686
40. Community Development and Environmental Management								
22,552	35,279	-4,544	53,287	40,005	41. Community Development Management	25,235	24,810	24,810
61,788	1,869	8,558	72,215	70,102	42. Natural Resource Management	68,849	67,074	67,074
38,461	7,666	3,076	49,203	43,852	43. Science and Technical Programs	38,129	42,079	42,079
46,203	20,860	-221	66,842	60,322	44. Site Remediation and Waste Management	44,852	56,530	56,530
34,685	975	107	35,767	35,268	45. Environmental Regulation	36,930	35,360	35,360
19,520	46	1,379	20,945	20,889	46. Environmental Planning and Administration	20,330	17,997	17,997
17,856	2,799	2,282	22,937	22,113	47. Compliance and Enforcement	19,093	20,417	20,417
9,123	2,257	683	12,063	11,403	49. Agricultural Resources, Planning, and			
250,188	71,751	11,320	333,259	303,954	Total Appropriation	262,987	273,261	273,261

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending — June 30, 2007 —			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					50. Economic Planning, Development, and Security			
4,347	32	273	4,652	4,493	51. Economic Planning and Development	4,688	4,266	4,266
90,644	12,395	678	103,717	90,192	52. Economic Regulation	94,909	93,839	93,839
65,424	23,303	—	88,727	80,526	53. Economic Assistance and Security	67,459	67,160	67,160
20,203	34,839	1,112	56,154	52,260	54. Manpower and Employment Services	21,229	21,006	21,006
234,056	21	33,009	267,086	266,559	55. Social Services Programs	194,769	287,934	287,934
414,674	70,590	35,072	520,336	494,030	Total Appropriation	383,054	474,205	474,205
					60. Transportation Programs			
104,804	5,957	2,359	113,120	112,449	61. State and Local Highway Facilities	98,347	82,138	82,138
5,484	40	592	6,116	6,064	64. Regulation and General Management	5,608	4,310	4,310
110,288	5,997	2,951	119,236	118,513	Total Appropriation	103,955	86,448	86,448
					70. Government Direction, Management, and Control			
58,771	7,686	1,332	67,789	60,670	71. Legislative Activities	60,952	60,952	60,952
20,232	24,847	-15,149	29,930	27,186	72. Governmental Review and Oversight	22,796	21,734	21,734
183,760	21,649	2,905	208,314	199,619	73. Financial Administration	172,210	187,681	187,681
1,953,806	85,109	-124,734	1,914,181	1,816,963	74. General Government Services	1,995,928	2,324,264	2,324,264
4,518	126	-660	3,984	3,923	75. State Subsidies and Financial Aid	4,053	4,053	4,053
35,402	3,096	23,162	61,660	59,677	76. Management and Administration	71,046	53,631	53,631
14,730	6,596	-39	21,287	14,357	77. Legislative Commissions and Committees	15,269	15,269	15,269
2,271,219	149,109	-113,183	2,307,145	2,182,395	Total Appropriation	2,342,254	2,667,584	2,667,584
					80. Special Government Services			
137,458	138,244	4,911	280,613	195,420	82. Protection of Citizens' Rights	148,054	150,870	150,870
63,990	1,988	1,284	67,262	65,153	83. Services to Veterans	70,198	69,964	69,964
201,448	140,232	6,195	347,875	260,573	Total Appropriation	218,252	220,834	220,834
5,796,194	512,547	21,751	6,330,492	6,004,180	<i>Total Direct State Services – General Fund</i>	5,979,375	6,261,696	6,253,569
					Grants-In-Aid			
					10. Public Safety and Criminal Justice			
565	—	—	565	265	12. Law Enforcement	565	2,315	2,315
35	—	—	35	35	14. Military Services	35	35	35
—	—	500	500	500	15. Judicial Services	—	—	—
83,605	1,579	1,950	87,134	87,134	16. Detention and Rehabilitation	103,105	96,873	96,873
29,994	640	—	30,634	29,484	17. Parole	35,278	36,278	36,278
18,743	—	81	18,824	18,824	18. Juvenile Services	20,612	19,064	19,064
132,942	2,219	2,531	137,692	136,242	Total Appropriation	159,595	154,565	154,565
					20. Physical and Mental Health			
175,986	2,035	7,283	185,304	177,312	21. Health Services	223,284	164,784	164,784
339,025	—	—	339,025	338,925	22. Health Planning and Evaluation	110,425	369,462	369,462
242,029	—	11,234	253,263	253,263	23. Mental Health Services	289,872	276,133	276,133
2,022,995	319,146	21,191	2,363,332	2,360,695	24. Special Health Services	2,254,839	2,184,242	2,184,242
970,421	24,769	-7,985	987,205	928,536	26. Senior Services	940,937	1,007,956	1,007,956
90,547	1,800	-4,140	88,207	88,149	27. Disability Services	103,283	98,700	98,700
3,841,003	347,750	27,583	4,216,336	4,146,880	Total Appropriation	3,922,640	4,101,277	4,101,277

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
					30. Educational, Cultural, and Intellectual Development			
—	—	—	—	—	31. Direct Educational Services and Assistance	—	19,500	19,500
474,422	—	22,152	496,574	476,690	32. Operation and Support of Educational Institutions	471,484	492,526	492,526
4,178	—	48	4,226	4,223	33. Supplemental Education and Training Programs	4,235	4,242	4,242
25,544	—	396	25,940	25,277	34. Educational Support Services	18,129	22,313	22,313
1,228,836	21,689	29,034	1,279,559	1,240,501	36. Higher Educational Services	1,356,004	1,499,841	1,209,813
36,622	6	—	36,628	36,620	37. Cultural and Intellectual Development Services	37,952	28,500	28,500
<u>1,769,602</u>	<u>21,695</u>	<u>51,630</u>	<u>1,842,927</u>	<u>1,783,311</u>	Total Appropriation	<u>1,887,804</u>	<u>2,066,922</u>	<u>1,776,894</u>
					40. Community Development and Environmental Management			
31,150	6,420	5,559	43,129	25,937	41. Community Development Management	32,150	46,150	46,150
10,250	5,054	-4,167	11,137	11,073	42. Natural Resource Management	250	—	—
6,000	3,153	-1,813	7,340	2,418	43. Science and Technical Programs	500	11,400	11,400
—	—	—	—	—	45. Environmental Regulation	—	21,765	21,765
2,755	92	182	3,029	2,688	49. Agricultural Resources, Planning, and Regulation	1,575	5,025	5,025
<u>50,155</u>	<u>14,719</u>	<u>-239</u>	<u>64,635</u>	<u>42,116</u>	Total Appropriation	<u>34,475</u>	<u>84,340</u>	<u>84,340</u>
					50. Economic Planning, Development, and Security			
33,351	93	2,767	36,211	26,986	51. Economic Planning and Development	36,694	185,994	185,994
70,840	—	—	70,840	65,788	52. Economic Regulation	79,840	70,840	70,840
245,787	14,326	329	260,442	244,887	53. Economic Assistance and Security	248,574	257,991	257,991
43,163	—	341	43,504	39,504	54. Manpower and Employment Services	44,842	51,842	51,842
469,288	768	22,941	492,997	484,682	55. Social Services Programs	619,424	729,324	729,324
<u>862,429</u>	<u>15,187</u>	<u>26,378</u>	<u>903,994</u>	<u>861,847</u>	Total Appropriation	<u>1,029,374</u>	<u>1,295,991</u>	<u>1,295,991</u>
					60. Transportation Programs			
278,700	—	—	278,700	278,700	62. Public Transportation	273,700	300,700	300,700
—	1,655	45	1,700	91	64. Regulation and General Management	—	—	—
<u>278,700</u>	<u>1,655</u>	<u>45</u>	<u>280,400</u>	<u>278,791</u>	Total Appropriation	<u>273,700</u>	<u>300,700</u>	<u>300,700</u>
					70. Government Direction, Management, and Control			
857,579	1,917	-47,177	812,319	769,149	74. General Government Services	838,546	830,699	830,699
10,000	2,975	3,788	16,763	13,675	75. State Subsidies and Financial Aid	—	—	—
82,375	—	-55,190	27,185	14,209	76. Management and Administration	1,071	724	724
<u>949,954</u>	<u>4,892</u>	<u>-98,579</u>	<u>856,267</u>	<u>797,033</u>	Total Appropriation	<u>839,617</u>	<u>831,423</u>	<u>831,423</u>
					80. Special Government Services			
16,400	—	—	16,400	16,400	82. Protection of Citizens' Rights	16,400	16,400	16,400
1,009	62	1	1,072	1,038	83. Services to Veterans	1,509	1,509	1,509
<u>17,409</u>	<u>62</u>	<u>1</u>	<u>17,472</u>	<u>17,438</u>	Total Appropriation	<u>17,909</u>	<u>17,909</u>	<u>17,909</u>
<u>7,902,194</u>	<u>408,179</u>	<u>9,350</u>	<u>8,319,723</u>	<u>8,063,658</u>	<i>Total Grants-In-Aid – General Fund</i>	<u>8,165,114</u>	<u>8,853,127</u>	<u>8,563,099</u>

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2005				Expended	2006 Adjusted Approp.	Year Ending — June 30, 2007 —	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available				Requested	Recom- mended
11,090	10,748	-1,671	20,167	5,429	State Aid			
3,730	236	3,300	7,266	7,024	10. Public Safety and Criminal Justice			
—	—	—	—	—	12. Law Enforcement	1,000	1,000	1,000
—	—	—	—	—	13. Special Law Enforcement Activities	7,030	7,030	7,030
—	—	—	—	—	19. Central Planning, Direction and Management	—	20,000	20,000
14,820	10,984	1,629	27,433	12,453	Total Appropriation	8,030	28,030	28,030
2,400	—	—	2,400	2,161	20. Physical and Mental Health			
93,510	5,934	—	99,444	99,444	21. Health Services	2,400	2,400	2,400
7,108	—	—	7,108	7,108	23. Mental Health Services	104,575	116,575	116,575
—	—	—	—	—	26. Senior Services	7,152	7,152	7,152
103,018	5,934	—	108,952	108,713	Total Appropriation	114,127	126,127	126,127
773,500	779	-1,113	773,166	768,979	30. Educational, Cultural, and Intellectual Development			
4,860	—	—	4,860	4,860	31. Direct Educational Services and Assistance	322,337	553,491	553,491
1,607,489	4,794	-92,802	1,519,481	1,517,564	33. Supplemental Education and Training Programs	4,860	4,860	4,860
184,075	—	-783	183,292	183,061	34. Educational Support Services	656,722	724,463	724,463
16,827	—	—	16,827	16,598	36. Higher Educational Services	181,023	203,824	172,568
—	—	—	—	—	37. Cultural and Intellectual Development Services	18,537	38,160	18,520
2,586,751	5,573	-94,698	2,497,626	2,491,062	Total Appropriation	1,183,479	1,524,798	1,473,902
16,925	23,750	-23,750	16,925	16,925	40. Community Development and Environmental Management			
2,300	—	—	2,300	2,218	41. Community Development Management	16,925	16,925	16,925
6,454	27	150	6,631	6,491	44. Site Remediation and Waste Management	—	—	—
3,453	5	—	3,458	3,453	46. Environmental Planning and Administration	6,769	7,613	7,613
11,085	331	-48	11,368	10,345	47. Compliance and Enforcement	3,453	3,453	3,453
—	—	—	—	—	49. Agricultural Resources, Planning, and Regulation	11,727	11,727	11,727
40,217	24,113	-23,648	40,682	39,432	Total Appropriation	38,874	39,718	39,718
265,057	3,080	833	268,970	268,349	50. Economic Planning, Development, and Security			
1,624	—	—	1,624	1,624	53. Economic Assistance and Security	352,304	299,548	299,548
12,000	—	—	12,000	12,000	54. Manpower and Employment Services	1,522	1,522	1,522
—	—	—	—	—	55. Social Services Programs	12,000	12,000	12,000
278,681	3,080	833	282,594	281,973	Total Appropriation	365,826	313,070	313,070
209,410	10,279	5,530	225,219	192,256	70. Government Direction, Management, and Control			
209,410	10,279	5,530	225,219	192,256	75. State Subsidies and Financial Aid	214,940	214,199	214,199
3,232,897	59,963	-110,354	3,182,506	3,125,889	Total Appropriation	214,940	214,199	214,199
—	—	—	—	—	Total State Aid – General Fund	1,925,276	2,245,942	2,195,046

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					Capital Construction			
					10. Public Safety and Criminal Justice			
—	—	—	—	—	11. Vehicular Safety	—	—	—
—	9,870	—	9,870	5,691	12. Law Enforcement	4,055	—	—
2,627	612	505	3,744	962	14. Military Services	175	590	590
500	305	-3	802	267	16. Detention and Rehabilitation	—	—	—
—	8,376	3,000	11,376	5,099	18. Juvenile Services	750	1,500	1,500
—	6,054	3	6,057	1,443	19. Central Planning, Direction and Management	5,000	—	—
3,127	25,217	3,505	31,849	13,462	Total Appropriation	9,980	2,090	2,090
					20. Physical and Mental Health			
—	741	—	741	327	21. Health Services	—	—	—
—	8,072	—	8,072	1,419	23. Mental Health Services	—	—	—
—	11	—	11	—	25. Health Administration	—	—	—
—	8,824	—	8,824	1,746	Total Appropriation	—	—	—
					30. Educational, Cultural, and Intellectual Development			
—	3,295	—	3,295	704	32. Operation and Support of Educational Institutions	—	1,950	1,950
—	1,045	—	1,045	494	33. Supplemental Education and Training Programs	—	—	—
—	388	—	388	118	35. Education Administration and Management	1,050	500	500
—	9	—	9	—	36. Higher Educational Services	—	—	—
1,000	48	300	1,348	964	37. Cultural and Intellectual Development Services	—	—	—
1,000	4,785	300	6,085	2,280	Total Appropriation	1,050	2,450	2,450
					40. Community Development and Environmental Management			
36,233	27,708	-4,470	59,471	25,478	42. Natural Resource Management	29,106	70,555	70,555
—	2	—	2	—	43. Science and Technical Programs	—	—	—
80,220	72,549	-5,260	147,509	64,359	44. Site Remediation and Waste Management	55,157	77,212	77,212
—	3	—	3	—	45. Environmental Regulation	—	—	—
—	13	—	13	—	46. Environmental Planning and Administration	—	—	—
—	1,142	—	1,142	150	49. Agricultural Resources, Planning, and Regulation	—	250	250
116,453	101,417	-9,730	208,140	89,987	Total Appropriation	84,263	148,017	148,017
					50. Economic Planning, Development, and Security			
—	1	—	1	—	52. Economic Regulation	—	—	—
—	—	—	—	—	55. Social Services Programs	—	10,000	10,000
—	1	—	1	—	Total Appropriation	—	10,000	10,000
					60. Transportation Programs			
805,000	—	—	805,000	805,000	61. State and Local Highway Facilities	805,000	895,000	895,000
805,000	—	—	805,000	805,000	Total Appropriation	805,000	895,000	895,000

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending — June 30, 2007 —			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					70. Government Direction, Management, and Control			
—	2,363	—	2,363	2,190	71. Legislative Activities	—	—	—
168,653	39,742	23,596	231,991	179,721	74. General Government Services	179,327	207,636	207,636
10,400	6,873	—	17,273	11,543	76. Management and Administration	11,600	7,700	7,700
179,053	48,978	23,596	251,627	193,454	Total Appropriation	190,927	215,336	215,336
					80. Special Government Services			
—	200	—	200	181	83. Services to Veterans	—	2,000	2,000
—	200	—	200	181	Total Appropriation	—	2,000	2,000
1,104,633	189,422	17,671	1,311,726	1,106,110	Total Capital Construction	1,091,220	1,274,893	1,274,893
					Debt Service			
					40. Community Development and Environmental Management			
37,660	—	3,577	41,237	39,715	46. Environmental Planning and Administration	24,675	64,664	64,664
37,660	—	3,577	41,237	39,715	Total Appropriation	24,675	64,664	64,664
					70. Government Direction, Management, and Control			
232,519	—	-11,728	220,791	220,621	76. Management and Administration	144,651	368,121	368,121
232,519	—	-11,728	220,791	220,621	Total Appropriation	144,651	368,121	368,121
270,179	—	-8,151	262,028	260,336	Total Debt Service	169,326	432,785	432,785
18,306,097	1,170,111	-69,733	19,406,475	18,560,173	Total General Fund	17,330,311	19,068,443	18,719,392
					PROPERTY TAX RELIEF FUND			
					Grants-In-Aid			
					70. Government Direction, Management, and Control			
2,162,711	24	—	2,162,735	1,609,845	75. State Subsidies and Financial Aid	789,888	1,340,188	1,340,188
2,162,711	24	—	2,162,735	1,609,845	Total Appropriation	789,888	1,340,188	1,340,188
2,162,711	24	—	2,162,735	1,609,845	Total Grants-In-Aid – Property Tax Relief Fund	789,888	1,340,188	1,340,188
					State Aid			
					30. Educational, Cultural, and Intellectual Development			
6,149,196	5,741	75,388	6,230,325	6,219,149	31. Direct Educational Services and Assistance	6,806,645	6,679,796	6,679,796
38,948	—	—	38,948	38,948	33. Supplemental Education and Training Programs	38,948	38,948	38,948
308,242	—	—	308,242	308,238	34. Educational Support Services	1,555,430	2,423,262	2,423,262
28,045	—	-2,839	25,206	25,206	36. Higher Educational Services	28,556	27,500	27,500
6,524,431	5,741	72,549	6,602,721	6,591,541	Total Appropriation	8,429,579	9,169,506	9,169,506

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
8,500	—	—	8,500	8,457	40. Community Development and Environmental Management			
					46. Environmental Planning and Administration	9,000	9,500	9,500
8,500	—	—	8,500	8,457	Total Appropriation	9,000	9,500	9,500
					70. Government Direction, Management, and Control			
1,065,858	—	12,145	1,078,003	1,074,188	75. State Subsidies and Financial Aid	1,131,033	1,095,806	1,095,806
1,065,858	—	12,145	1,078,003	1,074,188	Total Appropriation	1,131,033	1,095,806	1,095,806
7,598,789	5,741	84,694	7,689,224	7,674,186	<i>Total State Aid – Property Tax Relief Fund</i>	9,569,612	10,274,812	10,274,812
9,761,500	5,765	84,694	9,851,959	9,284,031	Total Property Tax Relief Fund	10,359,500	11,615,000	11,615,000
					CASINO CONTROL FUND			
					Direct State Services			
					10. Public Safety and Criminal Justice			
40,599	178	—	40,777	40,676	12. Law Enforcement	42,599	42,599	42,599
40,599	178	—	40,777	40,676	Total Appropriation	42,599	42,599	42,599
					70. Government Direction, Management, and Control			
27,901	778	—	28,679	27,601	73. Financial Administration	29,440	29,440	29,440
27,901	778	—	28,679	27,601	Total Appropriation	29,440	29,440	29,440
68,500	956	—	69,456	68,277	<i>Total Direct State Services – Casino Control Fund</i>	72,039	72,039	72,039
68,500	956	—	69,456	68,277	Total Casino Control Fund	72,039	72,039	72,039
					CASINO REVENUE FUND			
					Direct State Services			
					20. Physical and Mental Health			
871	31	128	1,030	979	26. Senior Services	871	871	871
871	31	128	1,030	979	Total Appropriation	871	871	871
					80. Special Government Services			
92	—	—	92	92	82. Protection of Citizens' Rights	92	92	92
92	—	—	92	92	Total Appropriation	92	92	92
963	31	128	1,122	1,071	<i>Total Direct State Services – Casino Revenue Fund</i>	963	963	963
					Grants-In-Aid			
					20. Physical and Mental Health			
500	—	—	500	497	21. Health Services	529	529	529
351,909	143,565	-128	495,346	495,138	26. Senior Services	349,813	316,381	316,381
80,328	—	—	80,328	80,328	27. Disability Services	80,328	80,328	80,328
432,737	143,565	-128	576,174	575,963	Total Appropriation	430,670	397,238	397,238

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending — June 30, 2007 —			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
38,409	—	—	38,409	38,299	30. Educational, Cultural, and Intellectual Development			
38,409	—	—	38,409	38,299	32. Operation and Support of Educational Institutions	32,516	32,516	32,516
					Total Appropriation	32,516	32,516	32,516
					50. Economic Planning, Development, and Security			
2,440	—	—	2,440	2,440	54. Manpower and Employment Services	2,440	2,440	2,440
2,440	—	—	2,440	2,440	Total Appropriation	2,440	2,440	2,440
473,586	143,565	-128	617,023	616,702	<i>Total Grants-In-Aid – Casino Revenue Fund</i>	465,626	432,194	432,194
					State Aid			
					60. Transportation Programs			
25,287	—	—	25,287	25,287	62. Public Transportation	34,352	34,930	34,930
25,287	—	—	25,287	25,287	Total Appropriation	34,352	34,930	34,930
25,287	—	—	25,287	25,287	<i>Total State Aid – Casino Revenue Fund</i>	34,352	34,930	34,930
499,836	143,596	—	643,432	643,060	<i>Total Casino Revenue Fund</i>	500,941	468,087	468,087
					GUBERNATORIAL ELECTIONS FUND – Grants-In-Aid			
					10. Public Safety and Criminal Justice			
8,870	—	—	8,870	6,310	13. Special Law Enforcement Activities	2,525	—	—
8,870	—	—	8,870	6,310	Total Appropriation	2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Grants-In-Aid – Gubernatorial Elections Fund</i>	2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Gubernatorial Election Fund</i>	2,525	—	—
28,644,803	1,320,428	14,961	29,980,192	28,561,851	GRAND TOTAL STATE APPROPRIATIONS	28,265,316	31,223,569	30,874,518

SUMMARIES OF APPROPRIATIONS

DEDICATED FUNDS

Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended	
PROPERTY TAX RELIEF FUND								
Grants-In-Aid								
Department of the Treasury								
2,162,711	24	—	2,162,735	1,609,845	Homestead Exemptions	789,888	1,340,188	1,340,188
<u>2,162,711</u>	<u>24</u>	<u>—</u>	<u>2,162,735</u>	<u>1,609,845</u>	<i>Total Department of the Treasury</i>	<u>789,888</u>	<u>1,340,188</u>	<u>1,340,188</u>
<u>2,162,711</u>	<u>24</u>	<u>—</u>	<u>2,162,735</u>	<u>1,609,845</u>	<i>Total Grants-In-Aid – Property Tax Relief Fund</i>	<u>789,888</u>	<u>1,340,188</u>	<u>1,340,188</u>
State Aid								
Department of Community Affairs								
929,569	—	17,267	946,836	944,322	Local Government Services	992,569	965,172	965,172
<u>929,569</u>	<u>—</u>	<u>17,267</u>	<u>946,836</u>	<u>944,322</u>	<i>Total Department of Community Affairs</i>	<u>992,569</u>	<u>965,172</u>	<u>965,172</u>
Department of Education								
4,914,195	5,741	69,788	4,989,724	4,978,600	General Formula Aid	5,559,906	5,434,107	5,434,107
73,491	—	5,600	79,091	79,039	Miscellaneous Grants-In-Aid	85,229	84,179	84,179
65,578	—	—	65,578	65,578	Bilingual Education	65,578	65,578	65,578
199,512	—	—	199,512	199,512	Programs for Disadvantaged Youths	199,512	199,512	199,512
896,420	—	—	896,420	896,420	Special Education	896,420	896,420	896,420
38,948	—	—	38,948	38,948	General Vocational Education	38,948	38,948	38,948
—	—	—	—	—	Office of School Choice	—	—	—
307,287	—	—	307,287	307,283	Pupil Transportation	309,787	309,787	309,787
955	—	—	955	955	Facilities Planning and School Building Aid	775	23	23
—	—	—	—	—	Teachers' Pension and Annuity Assistance	1,244,868	2,113,452	2,113,452
<u>6,496,386</u>	<u>5,741</u>	<u>75,388</u>	<u>6,577,515</u>	<u>6,566,335</u>	<i>Total Department of Education</i>	<u>8,401,023</u>	<u>9,142,006</u>	<u>9,142,006</u>
Department of Environmental Protection								
8,500	—	—	8,500	8,457	Administration and Support Services	9,000	9,500	9,500
<u>8,500</u>	<u>—</u>	<u>—</u>	<u>8,500</u>	<u>8,457</u>	<i>Total Department of Environmental Protection</i>	<u>9,000</u>	<u>9,500</u>	<u>9,500</u>
Department of the Treasury								
109,000	—	-5,122	103,878	103,878	Reimbursement of Senior/ Disabled Citizens' and Veterans' Tax Deductions	109,000	99,100	99,100
27,289	—	—	27,289	25,988	Consolidated Police and Firemen's Pension Fund	29,464	31,534	31,534
28,045	—	-2,839	25,206	25,206	Aid to County Colleges	28,556	27,500	27,500
<u>164,334</u>	<u>—</u>	<u>-7,961</u>	<u>156,373</u>	<u>155,072</u>	<i>Total Department of the Treasury</i>	<u>167,020</u>	<u>158,134</u>	<u>158,134</u>
<u>7,598,789</u>	<u>5,741</u>	<u>84,694</u>	<u>7,689,224</u>	<u>7,674,186</u>	<i>Total State Aid – Property Tax Relief Fund</i>	<u>9,569,612</u>	<u>10,274,812</u>	<u>10,274,812</u>
<u>9,761,500</u>	<u>5,765</u>	<u>84,694</u>	<u>9,851,959</u>	<u>9,284,031</u>	<i>Total Property Tax Relief Fund</i>	<u>10,359,500</u>	<u>11,615,000</u>	<u>11,615,000</u>

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2005				2006 Adjusted Approp.	Year Ending — June 30, 2007 —		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		Requested	Recom- mended	
CASINO CONTROL FUND								
Direct State Services								
Department of Law and Public Safety								
40,599	178	—	40,777	40,676	Gaming Enforcement	42,599	42,599	42,599
<u>40,599</u>	<u>178</u>	<u>—</u>	<u>40,777</u>	<u>40,676</u>	<i>Total Department of Law and Public Safety</i>	<u>42,599</u>	<u>42,599</u>	<u>42,599</u>
Department of the Treasury								
27,901	778	—	28,679	27,601	Administration of Casino Gambling	29,440	29,440	29,440
<u>27,901</u>	<u>778</u>	<u>—</u>	<u>28,679</u>	<u>27,601</u>	<i>Total Department of the Treasury</i>	<u>29,440</u>	<u>29,440</u>	<u>29,440</u>
68,500	956	—	69,456	68,277	<i>Total Direct State Services – Casino Control Fund</i>	<u>72,039</u>	<u>72,039</u>	<u>72,039</u>
<u>68,500</u>	<u>956</u>	<u>—</u>	<u>69,456</u>	<u>68,277</u>	Total Casino Control Fund	72,039	72,039	72,039
CASINO REVENUE FUND								
Direct State Services								
Department of Health and Senior Services								
871	31	128	1,030	979	Programs for the Aged	871	871	871
<u>871</u>	<u>31</u>	<u>128</u>	<u>1,030</u>	<u>979</u>	<i>Total Department of Health and Senior Services</i>	<u>871</u>	<u>871</u>	<u>871</u>
Department of Law and Public Safety								
92	—	—	92	92	Operation of State Professional Boards	92	92	92
<u>92</u>	<u>—</u>	<u>—</u>	<u>92</u>	<u>92</u>	<i>Total Department of Law and Public Safety</i>	<u>92</u>	<u>92</u>	<u>92</u>
963	31	128	1,122	1,071	<i>Total Direct State Services – Casino Revenue Fund</i>	<u>963</u>	<u>963</u>	<u>963</u>
Grants-In-Aid								
Department of Health and Senior Services								
500	—	—	500	497	Family Health Services	529	529	529
28,461	—	—	28,461	28,334	Medical Services for the Aged	30,531	30,629	30,629
309,086	143,565	—	452,651	452,570	Pharmaceutical Assistance to the Aged and Disabled	304,398	271,075	271,075
—	—	—	—	—	Lifeline	—	—	—
14,362	—	-128	14,234	14,234	Programs for the Aged	14,884	14,677	14,677
<u>352,409</u>	<u>143,565</u>	<u>-128</u>	<u>495,846</u>	<u>495,635</u>	<i>Total Department of Health and Senior Services</i>	<u>350,342</u>	<u>316,910</u>	<u>316,910</u>
Department of Human Services								
28,827	—	—	28,827	28,717	Purchased Residential Care	22,934	22,934	22,934
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
80,328	—	—	80,328	80,328	Division of Disabilities Services	80,328	80,328	80,328
<u>118,737</u>	<u>—</u>	<u>—</u>	<u>118,737</u>	<u>118,627</u>	<i>Total Department of Human Services</i>	<u>112,844</u>	<u>112,844</u>	<u>112,844</u>

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
2,440	—	—	2,440	2,440	Department of Labor and Workforce Development		
					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
473,586	143,565	-128	617,023	616,702	<i>Total Grants-In-Aid – Casino Revenue Fund</i>		
					465,626	432,194	432,194
					State Aid		
					Department of Transportation		
25,287	—	—	25,287	25,287	34,352	34,930	34,930
					<i>Total Department of Transportation</i>		
25,287	—	—	25,287	25,287	34,352	34,930	34,930
					<i>Total State Aid – Casino Revenue Fund</i>		
25,287	—	—	25,287	25,287	34,352	34,930	34,930
499,836	143,596	—	643,432	643,060	500,941	468,087	468,087
					GUBERNATORIAL ELECTIONS FUND		
					Grants-In-Aid		
					Department of Law and Public Safety		
8,870	—	—	8,870	6,310	2,525	—	—
					<i>Total Department of Law and Public Safety</i>		
8,870	—	—	8,870	6,310	2,525	—	—
					<i>Total Grants-In-Aid – Gubernatorial Elections Fund</i>		
8,870	—	—	8,870	6,310	2,525	—	—
					<i>Total Gubernatorial Elections Fund</i>		
10,338,706	150,317	84,694	10,573,717	10,001,678	10,935,005	12,155,126	12,155,126
					<i>Total Appropriation</i>		

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

This table summarizes the major increases and decreases in the Fiscal 2007 Budget and is organized by category.

Categories of recommended appropriations are defined as follows:

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

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

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

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

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

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations			
Pension - State Employees	\$ 287.695		
Salary Increase - State Employees	199.950		
State Active and Retiree Employee Health Benefits	54.150		
Child Welfare Reform	50.364		
Fuel/Utilities/Rent	28.102		
Division of Taxation - Data Mining and Enhancements	22.800		
Enhanced Mental Health Hospital Staffing	6.752		
Workers' Compensation/Tort Claims	6.700		
CBT Dedication	5.010		
Pharmaceutical Assistance to the Aged and Disabled (PAAD)	4.855		
Student Proficiency Testing	4.500		
Debt Service	3.925		
Emergency Operations Center - Operating Expenses	3.466		
Public Advocate Administration	3.200		
Gang Violence - Project Phoenix	0.250		
Other (Net)	8.889		
Subtotal - State Operations Increases	<u>\$ 690.608</u>		

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Human Services Shift to Federal Resources		\$ (117.687)	
Reduce Prescription Fund Balance		(60.000)	
Management Efficiencies		(50.000)	
Division of Pensions/Pension Fund		(33.482)	
Mandatory Pharmacy Mail - Order and Generics - State Employees		(20.000)	
Bulk Purchasing - State Health Benefits		(16.500)	
Unclassified Employees Reduction		(14.000)	
Fringe Savings Staffing Reduction		(13.600)	
Department of Treasury Efficiencies		(13.249)	
Department of Law and Public Safety Efficiencies		(12.874)	
Snow Removal - Winter Operations		(10.000)	
Increased Health Benefits Cost Sharing		(7.661)	
Department of Transportation Efficiencies		(7.507)	
Department of Corrections Efficiencies		(6.586)	
Pharmacy Management		(4.800)	
Employer Taxes		(3.059)	
Duplicative Sick Leave Injury		(3.000)	
Department of Environmental Protection Efficiencies		(2.872)	
Department of Human Services Efficiencies		(2.827)	
Pension Reform		(2.510)	
Department of Health and Senior Services Efficiencies		(2.274)	
Department of Education Efficiencies		(2.077)	
Department of Banking and Insurance Efficiencies		(1.868)	
Paying Communities Back - Inmates		(1.610)	
Elections Pilot		(1.500)	
Department of Personnel Efficiencies		(1.473)	
Student Registration and Record System		(1.364)	
Higher Education Student Assistance Authority Efficiencies		(1.349)	
New Jersey Network Efficiencies		(1.123)	
Department of Community Affairs Efficiencies		(0.897)	
Reduction of Governor's Contingency Funds		(0.875)	
Reduction of Contingency Funds		(0.625)	
Governor's Transition Funding		(0.600)	
Department of Agriculture Efficiencies		(0.575)	
Department of Military and Veterans Affairs Efficiencies		(0.529)	
Chief Executive Reduction		(0.259)	
Reduce Cultural Programs - Staffing		(0.250)	
Palisades Interstate Park Commission Efficiencies		(0.150)	
ELEC Efficiencies		<u>(0.119)</u>	
<i>Subtotal - State Operations Decreases</i>		\$ (421.731)	
<i>Net Change (State Operations)</i>			<u>\$ 268.877</u>
Grants-In-Aid			
Homestead Rebate	\$ 529.800		
Medicaid/General Assistance Health Care	312.019		
Charity Care - Replace Unemployment Insurance Diversion	300.000		
Business Employment Incentive Program	169.667		
Child Welfare Reform	64.611		
Pharmaceutical Assistance to the Aged and Disabled (PAAD)	47.680		

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Nursing Homes and Alternatives	46.017		
NJ Transit Operating Subsidy	27.000		
CBT Dedication	26.765		
TANF Work Activities and Case Management	21.000		
Senior/Disabled Citizens' Property Tax Freeze	20.500		
Special Education & Autism Grants	19.500		
Higher Education Capital Improvement Program Debt Service	15.046		
Abbott Expansion Carryforward Restoration	12.000		
DDD Placements Annualized	11.100		
State Rental Assistance Program	10.000		
Mental Health Community Placements	10.000		
Annualize FY06 Third Party Provider COLA	9.603		
New Jersey After 3	7.500		
Debt Service	6.091		
Water Resource Interconnection Projects	6.000		
Tuition Aid Grants	5.821		
Family Care Child Outreach Expansion	5.000		
Capital Improvements for Homeless Shelters	5.000		
Capital Improvements for Child Advocacy Centers	5.000		
Food Assistance Program	3.000		
Capital Improvements for Group Homes	3.000		
Family Planning Services Expansion	2.000		
Capital Improvements for Substance Abuse Treatment and Recovery Centers	2.000		
Capital Improvements for Women's Shelters	1.500		
Halfway Back Program	1.000		
Addressing Violence Against Women	1.000		
Capital Improvements for Storing Food for Food Banks	1.000		
Gang Violence - Operation Ceasefire	0.750		
Capital Improvements for Rape Care Centers	0.500		
Part-Time TAG for County Colleges	0.490		
<i>Subtotal - Grants-In-Aid Increases</i>	<u>\$ 1,708.960</u>		
Hospital Provider Assessment		\$ (215.000)	
Reduce Operating Support to Senior Public Colleges and Universities		(89.568)	
Hospital Assistance Grants		(69.200)	
Enhanced Medicaid Anti-Fraud Initiative		(50.000)	
Bulk Purchasing - Medicaid/PAAD		(44.000)	
Property Tax Assistance and Community Development Grants		(40.000)	
Implement Co-Payment After School/Summer Child Care Abbott Districts		(30.000)	
One-Time Funding UMDNJ		(28.000)	
Nursing Home/Medical Day Care Rates - No Inflation		(26.000)	
Reduction to Cancer Hospital Building Grants		(23.300)	
Rutgers - One Time Grant		(18.000)	
Pharmaceutical Procurement		(17.105)	
Increase Federal Lookback Period for Nursing Home Eligibility from 3 to 5 Years		(15.000)	
Enroll Institutional Medicare-Only Clients into Medicare Part D		(14.900)	
Shift General Assistance Recipients to Medicaid		(14.100)	
Energy Assistance Programs		(13.000)	
Institute Co-Payments for Medicaid Pharmaceuticals		(13.000)	
Aid to Independent Colleges and Universities		(11.981)	
Prior Authorization of Psychotropics		(8.750)	

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Partial Hospitalization Rate Reduction		(7.500)	
County Jail Placement Trend		(6.232)	
Tuition Policy for Out-of-State Undergraduate Students		(5.685)	
Outstanding Scholars Recruitment Program		(4.303)	
Heldrich Center for Workforce Development		(4.000)	
Higher Education Incentive Endowment Fund		(3.000)	
Grant for Stroke Centers		(3.000)	
Early Intervention Program (EIP) - Co-payment Increase		(3.000)	
Science and Technology Reduction		(2.700)	
Newark Museum		(2.500)	
Cultural Projects Grants		(2.268)	
Reduce Special Welfare Initiatives		(2.000)	
Governor's School		(1.929)	
Office of Faith-Based Initiatives Grants		(1.500)	
Battleship New Jersey Museum		(1.500)	
Social Promotion Initiative		(1.500)	
Boys and Girls Clubs of New Jersey		(1.500)	
Veterinary Medical Education Program		(1.337)	
Pharmacy Management		(1.300)	
Tourette Syndrome Association of NJ		(1.250)	
Contracted Day Reporting Programs		(1.200)	
Co-Payments on Hospital Visits - Medicaid		(1.100)	
Supported Employment Excess Capacity		(1.044)	
Public Financing of the Gubernatorial Primary and General Election		(1.025)	
Liberty Science Center - Educational Services		(1.000)	
Lead Testing Kits		(1.000)	
Reduce AIDS Grants		(1.000)	
Stevens Institute of Technology - New Jersey Community College Strategic Partnership		(1.000)	
Health Care Initiatives and Networking Technology (HINT) Program		(1.000)	
Paper Mill Playhouse		(1.000)	
Automated External Defibrillator Grant Program		(1.000)	
Larc School - Bellmawr		(1.000)	
Big Brothers/Big Sisters		(0.750)	
Teaching Positions at Kean		(0.750)	
Arthritis Quality of Life Initiative		(0.642)	
Competitively Bid Transportation and Durable Medical Equipment - Medicaid		(0.630)	
Ellis Island New Jersey Foundation		(0.600)	
Rutgers - Gubernatorial Papers Project		(0.500)	
Thomas Edison Museum		(0.500)	
Bloomfield College - Science Laboratory		(0.500)	
Celeste Foundation Early Intervention of Autism Research Project		(0.500)	
Atlantic Health Care Patient ID System		(0.500)	
Rutgers - Camden Performing Arts Center		(0.450)	
Grant to ASPIRA		(0.400)	
Integrity, Inc.		(0.400)	
Reduce Historical Commission Agency Grants		(0.384)	
United Way 2-1-1 System		(0.350)	
Soil & Water Grants		(0.300)	
High Enrollment Growth Adjustment at Edison		(0.300)	
Waterloo Village		(0.250)	
Weehawken Arts		(0.250)	

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Agriculture & Natural Resources - Conservation Assistance Program		(0.250)	
Grant to St. Barnabas Medical Center		(0.250)	
Governor's Literacy Initiative - Returning Coaches		(0.225)	
Respite Care for the Elderly		(0.207)	
AIDS Drug Distribution Program (ADDP) \$2 Co-pay		(0.200)	
Other (Net)		(2.081)	
<i>Subtotal - Grants-In-Aid Decreases</i>		<u>\$ (823.446)</u>	
<i>Net Change (Grants-In-Aid)</i>			<u>\$ 885.514</u>
State Aid			
Teachers' Pension and Annuity Fund	\$ 744.117		
School Construction and Renovation Fund	115.946		
Education Opportunity Aid (Abbott Districts)	92.000		
Post-Retirement Medical - Teachers' Pension and Annuity Fund	54.358		
Abbott Preschool Expansion Aid	39.000		
Local School Districts Teacher Social Security Payments	36.000		
Local Employee Benefits	33.499		
Capital for Homeland Security Critical Infrastructure	20.000		
County Psychiatric Hospitals	12.000		
Debt Service Pension Obligation Bonds	8.165		
Supplemental Security Income Caseload Increase	3.266		
Charter School Aid	2.200		
Abbott Bordered District Aid	1.903		
Unknown District of Residence	1.500		
DEP - Highlands Council Administration & Operations	1.000		
South Jersey Port Corporation Debt Service Reserve Fund	0.800		
<i>Subtotal - State Aid Increases</i>	<u>\$ 1,165.754</u>		
General Assistance Caseload Savings		\$ (18.891)	
Solid Waste Debt Service		(17.328)	
Special Municipal Aid		(16.405)	
County College Operating Support		(16.256)	
Bulk Purchasing - State Health Benefits		(14.500)	
Extraordinary Aid		(13.000)	
Regional Efficiency Aid Program (REAP)		(10.992)	
Senior/Disabled Citizens/Veterans Property Tax Deduction Projected Surplus		(9.900)	
High Expectations for Learning Proficiency (HELP)		(5.000)	
General Assistance Efficiencies		(5.000)	
Character Education		(4.750)	
Pharmacy Management		(3.900)	
Ewing School District		(2.200)	
West New York Parking Authority		(2.000)	
School District of Trenton - Security		(1.500)	
Aid to Nonpublic Schools		(1.134)	
Pension Ethics		(1.000)	
Department of Education Efficiencies		(0.955)	
Other (Net)		(13.364)	
<i>Subtotal - State Aid Decreases</i>		<u>\$ (158.075)</u>	
<i>Net Change (State Aid)</i>			<u>\$ 1,007.679</u>

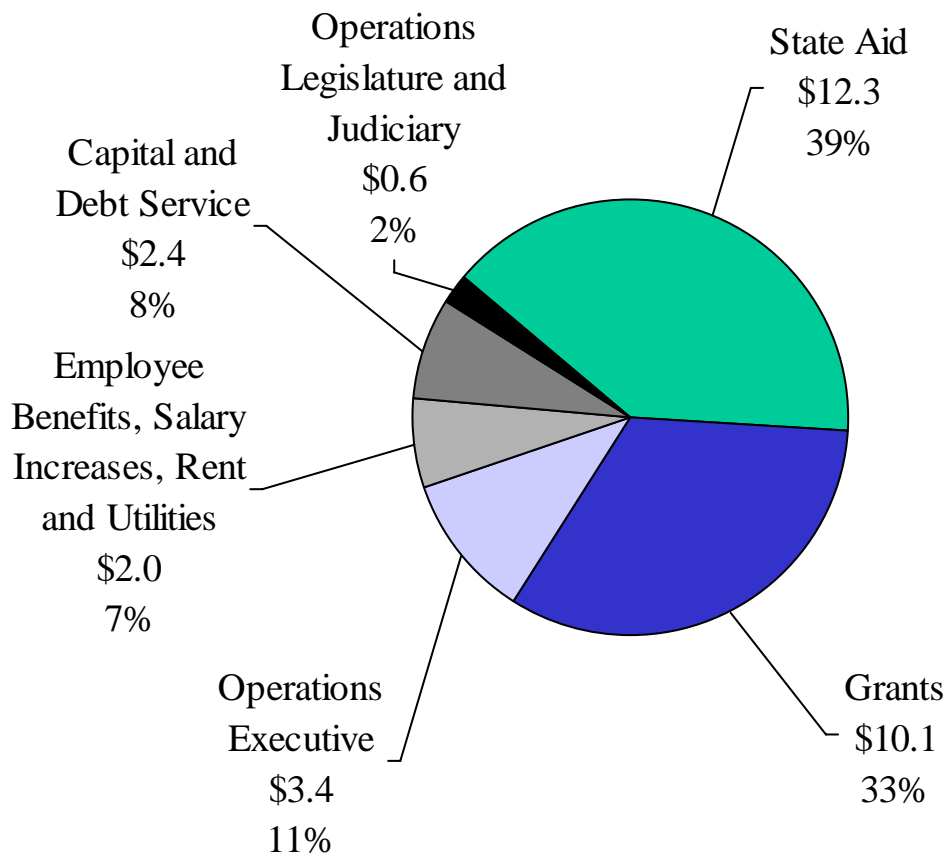
SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Capital Construction			
Transportation Trust Fund	\$ 90.000		
Capital Improvements for State Parks	40.000		
NJ Building Authority	30.618		
CBT Dedication	22.055		
Statewide Automated Child Welfare Information System	10.000		
H.R. 6 Flood Control – Urgent Projects	5.555		
Capital Improvements for Sheltering Homeless Veterans	<u>2.000</u>		
<i>Subtotal - Capital Construction Increases</i>	<u>\$ 200.228</u>		
Other (Net)		<u>\$ (16.555)</u>	
<i>Subtotal - Capital Construction Decreases</i>		<u>\$ (16.555)</u>	
<i>Net Change (Capital Construction)</i>			<u>\$ 183.673</u>
Debt Service			
General Obligation Debt Service	<u>\$ 263.459</u>		
<i>Subtotal - Debt Service Increases</i>	<u>\$ 263.459</u>		
<i>Net Change (Debt Service)</i>			<u>\$ 263.459</u>
GRAND TOTAL	<u>\$ 4,029.009</u>	<u>\$(1,419.807)</u>	<u>\$ 2,609.202</u>

Where Does the Money Go – State Aid and Grants Represent 72% of Budget

(In Billions)



72 cents of every dollar goes to Property Tax Relief and Grants in Aid

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

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

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

SUMMARIES OF APPROPRIATIONS

FY 2006 Supplementals

(In Millions)

Supplemental Appropriations

Employee Benefits and Taxes	\$	69.70
Special Municipal Aid		65.50
Human Services - Medicaid		52.00
Nursing Homes and Medical Day Care		32.50
Purchase of County Jail Services		22.00
Additional School Aid		17.20
Energy Assistance Programs		13.00
Abbott Preschool Expansion Aid		11.80
Snow Removal		10.00
Debt Service		6.94
Workers' Compensation		6.00
Property Rentals		5.50
Insurance Tort Claims		3.00
Parole Board Sex Offender Monitoring Pilot Project		3.00
Other Supplementals		27.29
	\$	345.43

Shortfalls Funded by Transfers

Abbott Education Opportunity Aid	\$	92.36
Health Care Subsidy Fund		18.15
Taxation Investigation and Collection Services		13.70
Asset Diversification Initiative		5.58
Snow Removal		3.70
September 11 Memorial Design		2.80
Other Transfers		5.86
	\$	142.15
Grand Total	\$	487.58

Growth in Selected Mandated Programs

(In Millions)

Teachers' Pension and Annuity Fund	\$	744.12
Homestead Rebates		529.80
Charity Care - Replace UI Diversion		300.00
Medicaid Including Long Term Care (Includes \$50 million UI Diversion)		358.04
Pensions State Employees		287.70
G.O. Debt Service Costs		263.46
Salary Increases State Employees		199.95
All Other Debt Service		184.13
Business Employment Incentive Program		169.67
School Construction and Renovation Fund		115.95
Child Welfare Reform		114.98
Education Opportunity Aid (Abbott Districts)		92.00
Local Teachers' Post-Retirement Medical		54.36
State Employees' Active and Retirees Health Benefits		54.15
CBT Constitutionally Dedicated Programs		53.83
Pharmaceutical Assistance Aged and Disabled (PAAD)		52.50
Abbott Preschool Expansion Aid		39.00
Local Employee Benefits		33.50
New Jersey Building Authority Debt Service		30.62
Central Rent, Fuel and Utility Costs		28.10
NJ Transit Operating Subsidy		27.00
TANF Work Activities Case Management		21.00
Senior / Disabled Citizens' Property Tax Freeze		20.50
Pension Bond Debt Service		15.38
DDD Placement Annualization		11.10
Mental Health Community Placements		10.00

Restraint in Spending Growth

(In Millions)

Reduced Growth:	\$ 525.00
Flat Fund Municipal Aid	
Flat Fund School Districts	
Flat Fund Senior Public College Fringe Benefits	
Provide No Senior Public College Salary Funding	
Nursing Home and Medical Day Care Rates	
Reduced Base Spending:	
FY 2006 Legislative Additions	\$ 193.22
Senior Public College Support	89.57
Extraordinary and Special Municipal Aid	29.41
Cancer Hospital Grants	23.30
County College Operating Aid	16.26
Independent College and Universities Support	11.98
Regional Efficiency Aid Program	10.99
Efficiencies:	
Hospital Provider Assessment	\$ 215.00
Human Services - Shift to Federal Resources	117.69
Bulk Purchasing Prescriptions	75.00
Staffing Reduction with Associated Fringe Savings	67.17
Reduction in Prescription Fund Balance	60.00
Enhanced Medicaid Anti-Fraud Initiative	50.00
Management Efficiencies	50.00
Abbott District After School / Summer Copayment	30.00
State Employee Prescription - Mandatory Mail	20.00
Order and Generics	
Medicaid / Pharmaceutical Assistance Pharmacy Reimbursement	17.11
Medicaid Prescription Copayment	13.00

SUMMARIES OF APPROPRIATIONS

***Total Direct State Services
By Department***

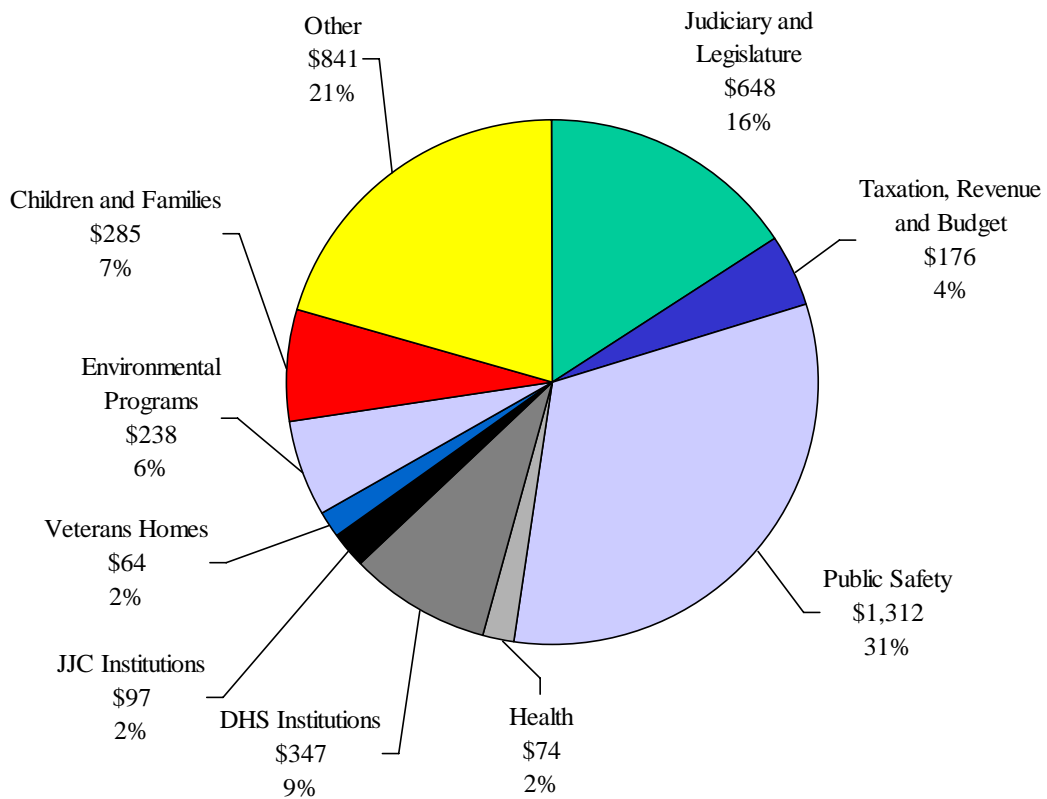
(In Thousands)

	FY2006 Appropriation	FY2006 Adjusted Appropriation	FY2007 Recommendation	Change \$	%
Chief Executive	\$ 4,972	\$ 5,183	\$ 4,924	\$ (259)	-5.0%
Agriculture	9,215	9,569	8,994	(575)	-6.0%
Banking and Insurance	67,037	68,033	67,965	(68)	-0.1%
Community Affairs	35,586	37,811	36,914	(897)	-2.4%
Corrections	906,980	938,166	931,420	(6,746)	-0.7%
Education	60,124	62,368	62,042	(326)	-0.5%
Environmental Protection	217,956	226,918	238,217	11,299	5.0%
Health & Senior Services	63,581	65,743	73,797	8,054	12.3%
Balance of Human Services	51,371	38,749	38,450	(299)	-0.8%
Central Office	24,068	47,454	30,696	(16,758)	-35.3%
Developmental Disabilities	208,074	217,354	94,441	(122,913)	-56.5%
Medical Assistance	26,989	26,221	25,779	(442)	-1.7%
Mental Health	259,530	268,737	264,015	(4,722)	-1.8%
Labor	60,696	62,072	61,849	(223)	-0.4%
Law & Public Safety	135,503	146,079	146,352	273	0.2%
State Police	304,949	312,464	306,524	(5,940)	-1.9%
Division of Law	28,983	28,647	17,052	(11,595)	-40.5%
Juvenile Justice Commission	94,910	98,381	97,025	(1,356)	-1.4%
Military & Veterans' Affairs	85,711	88,280	86,411	(1,869)	-2.1%
Personnel	24,540	25,463	23,990	(1,473)	-5.8%
Public Advocate	15,937	16,220	19,420	3,200	19.7%
State	14,268	16,819	13,213	(3,606)	-21.4%
Public Broadcasting	6,446	6,727	5,604	(1,123)	-16.7%
State Library	4,370	4,570	4,570	-	0.0%
Transportation	89,675	103,955	86,448	(17,507)	-16.8%
Treasury	394,053	421,877	401,092	(20,785)	-4.9%
Misc. Executive Commissions	1,403	1,432	1,407	(25)	-1.7%
Total Executive Branch	\$ 3,196,927	\$ 3,345,292	\$ 3,148,611	\$ (196,681)	-5.9%
Legislature	\$ 74,173	\$ 76,221	\$ 76,221	\$ -	0.0%
Judiciary	554,026	571,750	571,750	-	0.0%
Subtotal Operations-Base	\$ 3,825,126	\$ 3,993,263	\$ 3,796,582	\$ (196,681)	-4.9%
Required Increases					
Children and Families	\$ 182,509	\$ 191,881	\$ 285,046	93,165 ^(a)	48.6%
Interdepartmental					
Other	\$ 86,921	\$ 86,921	\$ 84,642	\$ (2,279)	-2.6%
Pension, Health Benefits & PRM	1,097,748	1,149,748	1,375,787	226,039	19.7%
Employer Taxes	337,049	346,049	340,337	(5,712)	-1.7%
Insurance, Utilities, and Other	271,115	284,515	316,317	31,802	11.2%
Salary Program	140,124	-	127,860	127,860	-
Subtotal Interdepartmental	\$ 1,932,957	\$ 1,867,233	\$ 2,244,943	377,710	20.2%
Total	\$ 5,940,592	\$ 6,052,377	\$ 6,326,571	274,194	4.5%

(a) Includes \$39.5 million reallocated from the Department of Human Services

Components of Operating Budget

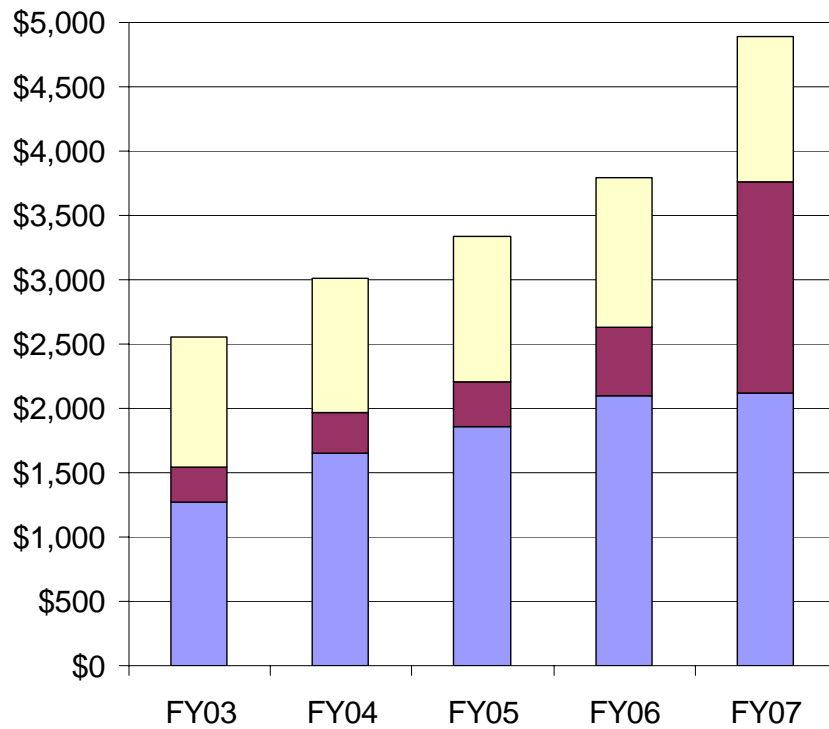
(In Millions)



Total State \$4.1 billion

Employee Benefit Costs

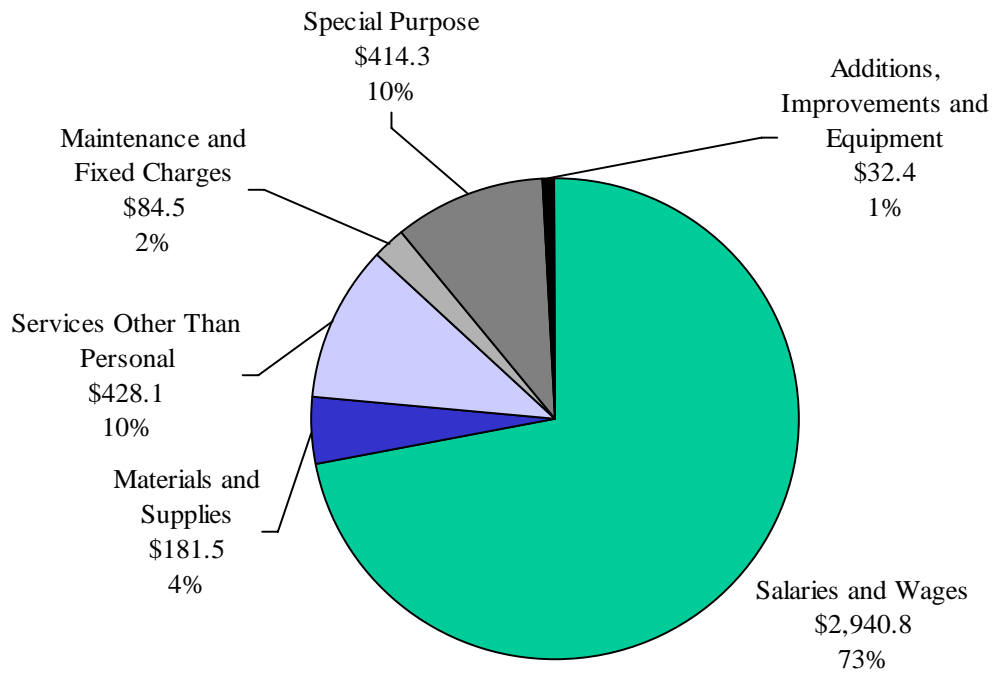
(In Millions)



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

Operating Split between Salaries and Other Costs

(In Millions)



SUMMARIES OF APPROPRIATIONS

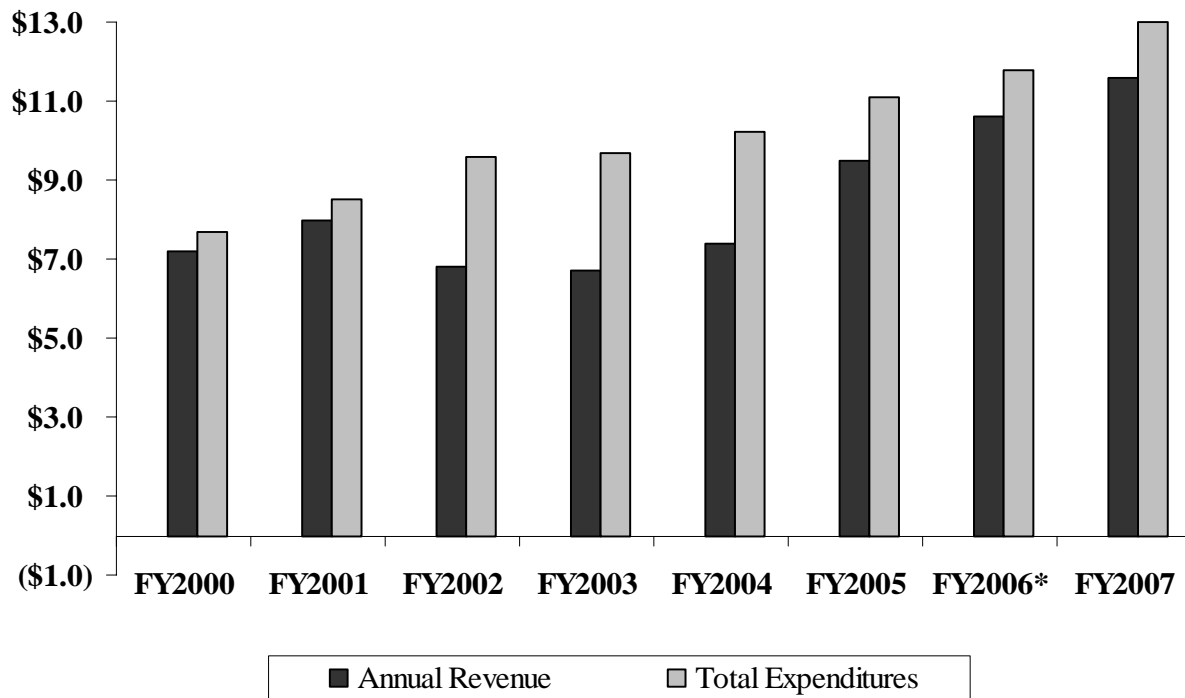
***Funding for
Property Tax Relief***

(In Millions)

<u>Programs</u>	<u>FY2006 Adjusted Approp.</u>	<u>FY2007 Budget</u>	<u>\$ Change</u>
School Aid	\$ 9,384.9	\$ 10,424.8	\$ 1,039.9
Municipal Aid	1,881.3	1,841.4	(39.9)
Other Local Aid	813.0	817.6	4.6
Direct Taxpayer Relief	<u>1,313.9</u>	<u>1,877.3</u>	<u>563.4</u>
Subtotal Direct Aid	<u>\$ 13,393.0</u>	<u>\$ 14,961.1</u>	<u>\$ 1,568.0</u>
Pension Savings	182.8	151.6	(31.2)
Police and Firemen's Pension Savings	<u>174.0</u>	<u>105.7</u>	<u>(68.3)</u>
Subtotal Pension Savings	<u>\$ 356.8</u>	<u>\$ 257.3</u>	<u>\$ (99.5)</u>
Hotel Revenue	<u>\$ 38.0</u>	<u>\$ 38.0</u>	<u>\$ -</u>
Realty Transfer Fee - County Share	<u>\$ 130.0</u>	<u>\$ 130.0</u>	<u>\$ -</u>
Grand Totals	<u><u>\$ 13,917.8</u></u>	<u><u>\$ 15,386.4</u></u>	<u><u>\$ 1,468.5</u></u>

Funding for Property Tax Relief Programs Exceeds Income Tax Revenues

(In Billions)



* Includes \$400 million fiscal 2005 carryforward

SUMMARIES OF APPROPRIATIONS

Taxpayer Relief (In Millions)

PROGRAM DESCRIPTION	FY2006	FY2007	Change	
	Adjusted Approp.	Budget	\$	%
School Aid				
Direct Aid	\$ 7,483.4	\$ 7,586.9	\$ 103.6	1.4%
School Building Aid	378.9	492.0	113.1	29.8%
Teachers' Retirement Benefits & Social Security	1,522.6	2,345.9	823.2	54.1%
Subtotal School Aid	\$ 9,384.9	\$ 10,424.8	\$ 1,039.9	11.1%
Municipal Aid				
Consolidated Municipal Property Tax Relief Aid	\$ 835.4	\$ 835.4	\$ -	-
* Energy Receipts Property Tax Relief Aid	788.5	788.5	-	-
Special Municipal Aid	94.8	78.4	(16.4)	(17.3%)
Legislative Initiative Block Grant Program	34.8	34.8	-	-
Extraordinary Aid	43.0	30.0	(13.0)	(30.2%)
Trenton Capitol City Aid	16.5	16.5	-	-
Highlands Protection Fund Aid	12.0	12.0	-	-
Regional Efficiency Aid Program (REAP)	11.0	-	(11.0)	(100.0%)
Open Space - Payments in Lieu of Taxes	9.0	9.5	0.5	5.6%
Regional Efficiency Development Incentive Grants (REDI)	4.2	4.2	-	-
Municipal Homeland Security Assistance	32.0	32.0	-	-
Subtotal Municipal Aid	\$ 1,881.3	\$ 1,841.4	\$ (39.9)	(2.1%)
Other Local Aid				
County College Aid	\$ 223.6	\$ 208.1	\$ (15.5)	(6.9%)
* Transportation Trust Fund - Local Project Aid	145.0	175.0	30.0	20.7%
Aid to County Psychiatric Hospitals	104.6	116.6	12.0	11.5%
Property Tax Assistance and Community Development	40.0	-	(40.0)	(100.0%)
General Assistance Administration	26.0	26.0	-	-
* Urban Enterprise Zones - Sales Tax Dedication	82.0	84.0	2.0	2.4%
County Solid Waste Debt	57.3	40.0	(17.3)	(30.2%)
DCA - Housing and Neighborhood Assistance	16.7	16.7	-	-
Library Aid	18.5	18.5	-	-
Employee Benefits on behalf of Local Governments	72.9	106.4	33.5	46.0%
911 Enhancement	14.9	14.9	-	0.0%
County Prosecutors	8.0	8.0	-	0.0%
County Environmental Health Act	3.5	3.5	-	0.0%
Subtotal Other Local Aid	\$ 813.0	\$ 817.6	\$ 4.6	0.6%
Direct Taxpayer Relief				
Homestead Rebates	691.5	1,221.3	529.8	76.6%
Senior/Disabled Citizens' Property Tax Freeze	98.4	118.9	20.5	20.8%
Municipal Reimbursement--Veterans' Tax Deductions	86.0	76.4	(9.6)	(11.2%)
Municipal Reimbursement--Senior/Disabled Citizens' Tax Deductions	23.0	22.7	(0.3)	(1.3%)
* Property Tax Deduction Act	415.0	438.0	23.0	5.5%
Subtotal Direct Taxpayer Relief	\$ 1,313.9	\$ 1,877.3	\$ 563.4	42.9%
Pension Savings				
School District Pension Savings	\$ 39.8	\$ 33.0	\$ (6.8)	(17.1%)
Municipal Pension Savings	48.0	39.8	(8.2)	(17.1%)
Other Local Pension Savings	95.0	78.8	(16.2)	(17.1%)
Police & Firemen's Retirement System	174.0	105.7	(68.3)	(39.3%)
Subtotal Pension Savings	\$ 356.8	\$ 257.3	\$ (99.5)	(27.9%)
Hotel Municipal Revenue	\$ 38.0	\$ 38.0	\$ -	0.0%
Realty Transfer Fee - County Share	\$ 130.0	\$ 130.0	\$ -	0.0%
GRAND TOTAL - TAXPAYER RELIEF	\$ 13,917.9	\$ 15,386.4	\$ 1,468.4	10.6%

* Not part of State budget

SUMMARIES OF APPROPRIATIONS

School Aid

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Formula/Supplemental Programs	\$ 7,000.0	\$ 7,094.3	\$ 94.3
Abbott Preschool Expansion	204.2	243.2	39.0
Nonpublic School Aid	102.7	101.6	(1.1)
Above Average Enrollment Growth	12.0	17.6	5.6
Other Aid	164.4	130.2	(34.2)
Total Direct School Aid	\$ 7,483.4	\$ 7,586.9	\$ 103.6
Teachers' Pension and Annuity Fund	\$ 94.5	\$ 837.6	\$ 743.1
Post Retirement Medical	685.4	721.4	36.0
Debt Service on Pension Obligation Bonds	86.9	95.1	8.2
Teachers' Social Security	655.8	691.8	36.0
Total Direct State Payments for Education	\$ 1,522.6	\$ 2,345.9	\$ 823.2
School Construction and Renovation Fund	\$ 259.3	\$ 375.2	\$ 115.9
Debt Service Aid	119.7	116.8	(2.9)
Total School Building Aid	\$ 378.9	\$ 492.0	\$ 113.1
Total School Aid	\$ 9,384.9	\$ 10,424.8	\$ 1,039.9

SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2007---

	Expended Fiscal 2005	Adjusted Appropriation Fiscal 2006	Requested Fiscal 2007	General Fund	Property Tax Relief Fund	Total
Formula Aid Programs:						
Core Curriculum Standards Aid	\$ 3,080,270	\$ 3,080,318	\$ 3,080,318	\$ 384,935	\$ 2,695,383	\$ 3,080,318
Supplemental Core Curriculum Standards Aid	251,768	251,768	251,768	0	251,768	251,768
Early Childhood Aid	330,630	330,630	330,630	0	330,630	330,630
Instructional Supplement	15,621	15,621	15,621	0	15,621	15,621
Demonstrably Effective Program Aid	199,512	199,512	199,512	0	199,512	199,512
Stabilization Aid	111,626	111,626	111,626	0	111,626	111,626
Stabilization Aid 2	2,491	2,491	2,491	0	2,491	2,491
Stabilization Aid 3	11,402	11,402	11,402	0	11,402	11,402
Additional Supplemental Stabilization Aid:						
Large Efficient Districts	5,250	5,250	5,250	0	5,250	5,250
High Senior Citizen Concentrations	1,231	1,231	1,231	0	1,231	1,231
Regionalization Incentive Aid	18,295	18,295	18,295	0	18,295	18,295
Categorical Aids:						
Adult Education Grants	28,721	28,721	28,721	0	28,721	28,721
Bilingual Education	65,578	65,578	65,578	0	65,578	65,578
Special Education	896,420	896,420	896,420	0	896,420	896,420
County Vocational Education	38,948	38,948	38,948	0	38,948	38,948
Pupil Transportation Aid	307,187	309,687	309,687	0	309,687	309,687
School Choice	7,969	9,969	8,306	0	8,306	8,306
Abbott-Bordered District Aid	0	20,000	21,903	0	21,903	21,903
Aid for Enrollment Adjustments	16,456	16,456	16,456	0	16,456	16,456
Consolidated Aid	130,127	130,127	129,684	0	129,684	129,684
Above Average Enrollment Growth	11,091	12,000	17,575	0	17,575	17,575
Additional Formula Aid	90,000	90,000	86,772	0	86,772	86,772
Less:						
Stabilization Aid Growth Limitation	(73,576)	(73,576)	(73,576)	0	(73,576)	(73,576)
Growth Savings - Payment Change	(4,415)	(2,450)	(8,450)	0	(8,450)	(8,450)
Subtotal, Net T&E Budget	\$ 5,542,602	\$ 5,570,024	\$ 5,566,168	\$ 384,935	\$ 5,181,233	\$ 5,566,168
School Construction and Renovation Fund	128,962	259,269	375,215	375,215	0	375,215
Debt Service Aid	120,663	119,679	116,826	116,826	0	116,826
Subtotal, School Building Aid	\$ 249,625	\$ 378,948	\$ 492,041	\$ 492,041	\$ -	\$ 492,041
TOTAL FORMULA AID	\$ 5,792,227	\$ 5,948,972	\$ 6,058,209	\$ 876,976	\$ 5,181,233	\$ 6,058,209

SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2007---

	Expended Fiscal 2005	Adjusted Appropriation Fiscal 2006	Requested Fiscal 2007	General Fund	Property Tax Relief Fund	Total
Other Aid to Education:						
Nonpublic School Aid	\$ 107,123	\$ 102,749	\$ 101,615	\$ 101,615	\$ -	\$ 101,615
Education Opportunity Aid	1,372,273	1,449,495	1,545,540	0	1,545,540	1,545,540
Abbott Preschool Expansion Aid	179,753	204,200	243,200	0	243,200	243,200
Early Launch to Learning Initiative	1,565	4,000	3,000	0	3,000	3,000
High Expectations for Learning Proficiency	17,000	15,000	10,000	10,000	0	10,000
Payment for Children with Unknown District of Residence	25,900	28,700	30,200	0	30,200	30,200
Extraordinary Special Education Costs Aid	51,998	52,000	52,000	52,000	0	52,000
General Vocational Aid	4,860	4,860	4,860	4,860	0	4,860
Additional School Building Aid (Debt Service)	955	775	23	0	23	23
Educational Information & Resource Center	450	450	450	450	0	450
Charter School Aid	11,745	12,258	12,258	0	12,258	12,258
Charter Schools - Council on Local Mandates Decision Offset Aid	5,432	8,300	10,500	0	10,500	10,500
Character Education	4,723	4,750	0	0	0	0
Teacher Quality Mentoring	2,498	2,500	2,500	0	2,500	2,500
Other Aid	11,297	23,291	4,591	4,491	100	4,591
Subtotal, Other Aid to Education	\$1,797,572	\$1,913,328	\$2,020,737	\$173,416	\$1,847,321	\$2,020,737
Subtotal, Department of Education	\$7,589,799	\$7,862,300	\$8,078,946	\$1,050,392	\$7,028,554	\$8,078,946
Direct State Payments for Education:						
Teachers' Pension and Annuity Fund	0	68,727	805,162	0	805,162	805,162
Teachers' Pension and Annuity Fund - Post Retirement Medical	484,507	589,118	616,540	0	616,540	616,540
Teachers' Pension and Annuity Fund - Non-Contributory	0	25,789	32,471	32,471	0	32,471
Debt Service on Pension Obligation Bonds	79,779	86,940	95,097	95,097	0	95,097
Post Retirement Medical Other Than TPAF	78,908	96,318	104,854	104,854	0	104,854
Teachers' Social Security Assistance	624,745	655,750	691,750	0	691,750	691,750
Subtotal, Direct State Payments for Education	\$1,267,939	\$1,522,642	\$2,345,874	\$232,422	\$2,113,452	\$2,345,874
TOTAL	\$8,857,738	\$9,384,942	\$10,424,820	\$1,282,814	\$9,142,006	\$10,424,820

SUMMARIES OF APPROPRIATIONS***Municipal Aid***

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Consolidated Municipal Property Tax Relief Aid (CMPTRA)	\$ 835.4	\$ 835.4	\$ -
Energy Receipts Property Tax Relief Aid	788.5	788.5	-
Special Municipal Aid	94.8	78.4	(16.4)
Municipal Homeland Security Assistance	32.0	32.0	-
Regional Efficiency Aid Program (REAP)	11.0	-	(11.0)
Trenton Capitol City Aid	16.5	16.5	-
Highlands Protection Fund Aid	12.0	12.0	-
Legislative Initiative Block Grant Program	34.8	34.8	-
Extraordinary Aid	43.0	30.0	(13.0)
Open Space - Payment In Lieu of Taxes (PILOT)	9.0	9.5	0.5
Regional Efficiency Development Incentive Grants (REDI)	4.2	4.2	-
Total Direct Municipal Aid	\$ 1,881.3	\$ 1,841.4	\$ (39.9)

SUMMARIES OF APPROPRIATIONS

Direct Property Tax Relief

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Homestead Rebates	\$ 691.5	\$ 1,221.3 *	\$ 529.8
Senior/Disabled Citizens Property Tax Freeze	98.4	118.9	20.5
Property Tax Deduction Act	415.0	438.0	23.0
Municipal Reimbursement - Veterans' Tax Deductions	86.0	76.4	(9.6)
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	23.0	22.7	(0.3)
Total Direct Property Tax Relief	\$ 1,313.9	\$ 1,877.3	\$ 563.4

* Of this amount, \$400 million was a FY 2005 appropriation.

SUMMARIES OF APPROPRIATIONS

Higher Education

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	Change \$	%
Colleges and Universities				
Senior Public Colleges and Universities	\$ 1,496.7	\$ 1,353	\$ (143)	(9.6%)
County Colleges	223.6	208.1	(15.5)	(6.9%)
Independent Colleges and Universities	24.0	12.0	(12.0)	(50.0%)
Student Financial Assistance	248.8	249.5	0.6	0.3%
Educational Opportunity Fund	40.6	40.6	-	---
Facility and Capital Improvement Programs	90.0	98.5	8.5	9.4%
Other Programs	24.3	17.1	(7.2)	(29.7%)
Total Higher Education	\$ 2,148.0	\$ 1,979.0	\$ (169.1)	(7.9%)

SUMMARIES OF APPROPRIATIONS

Higher Education

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Senior Public Institutions			
Rutgers University	\$ 356.3	\$ 300.3	\$ (55.9)
UMDNJ	242.9	194.2	(48.8)
NJIT	51.5	45.8	(5.8)
Thomas Edison State College	6.7	5.4	(1.2)
Rowan University	39.5	35.4	(4.1)
New Jersey City University	33.5	30.1	(3.4)
Kean University	43.2	37.8	(5.4)
William Paterson University	42.1	37.8	(4.2)
Montclair State University	50.4	44.8	(5.6)
College of New Jersey	38.0	34.0	(4.0)
Ramapo College of New Jersey	21.4	19.0	(2.4)
Richard Stockton College of New Jersey	25.7	23.0	(2.7)
Subtotal Senior Publics Direct Aid	\$ 951.1	\$ 807.6	\$ (143.5)
Senior Publics Salary Funding	-	-	-
Senior Publics Net Fringe Benefits	545.7	545.7	-
Total Senior Publics	\$ 1,496.7	\$ 1,353.2	\$ (143.5)
Total County Colleges ^(a)	223.6	208.1	(15.5)
Total Independent Colleges and Universities	24.0	12.0	(12.0)
Student Financial Assistance			
Tuition Aid Grants (TAG)	208.9	214.7	5.8
Part-time TAG for County Colleges	4.5	4.9	0.5
NJSTARS I & II	8.0	8.0	-
EOF Grants and Scholarships	40.6	40.6	-
Loan Forgiveness for Mental Health Workers	3.5	3.5	-
Other Student Aid Programs	24.0	18.3	(5.7)
Total Student Financial Assistance	\$ 289.4	\$ 290.1	\$ 0.6
Other Programs			
Capital Grants and Facilities Support ^(b)	90.0	98.5	8.5
New Jersey Stem Cell Research Institute	5.5	5.5	-
All Other Programs	18.8	11.6	(7.2)
Total Other Programs	\$ 114.3	\$ 115.6	\$ 1.3
Grand Total Higher Education	\$ 2,148.0	\$ 1,979.0	\$ (169.1)

^(a) Includes funding from Supplemental Workforce Fund for Basic Skills of \$14.0 million in FY 2006 and \$8.0 million in FY 2007.

^(b) Includes use of off-budget fund balances totaling \$18.0 million in FY 2006 and \$12.0 million in FY 2007.

SUMMARIES OF APPROPRIATIONS

Direct Property Tax Relief

(In Millions)

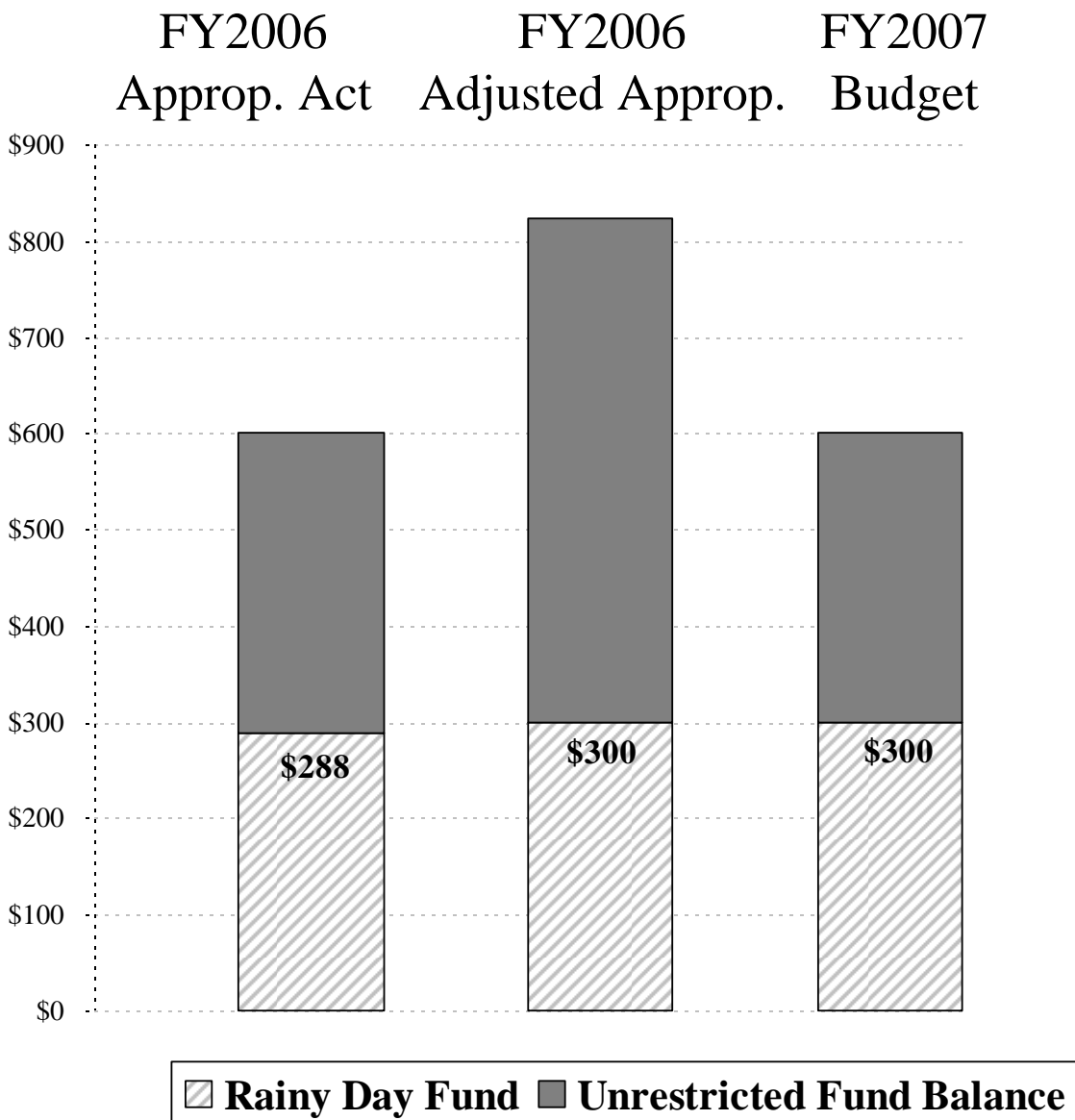
	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Homestead Rebates	\$ 691.5	\$ 1,221.3 *	\$ 529.8
Senior/Disabled Citizens Property Tax Freeze	98.4	118.9	20.5
Property Tax Deduction Act	415.0	438.0	23.0
Municipal Reimbursement - Veterans' Tax Deductions	86.0	76.4	(9.6)
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	23.0	22.7	(0.3)
Total Direct Property Tax Relief	\$ 1,313.9	\$ 1,877.3	\$ 563.4

* Of this amount, \$400 million was a FY 2005 appropriation.

SUMMARIES OF APPROPRIATIONS

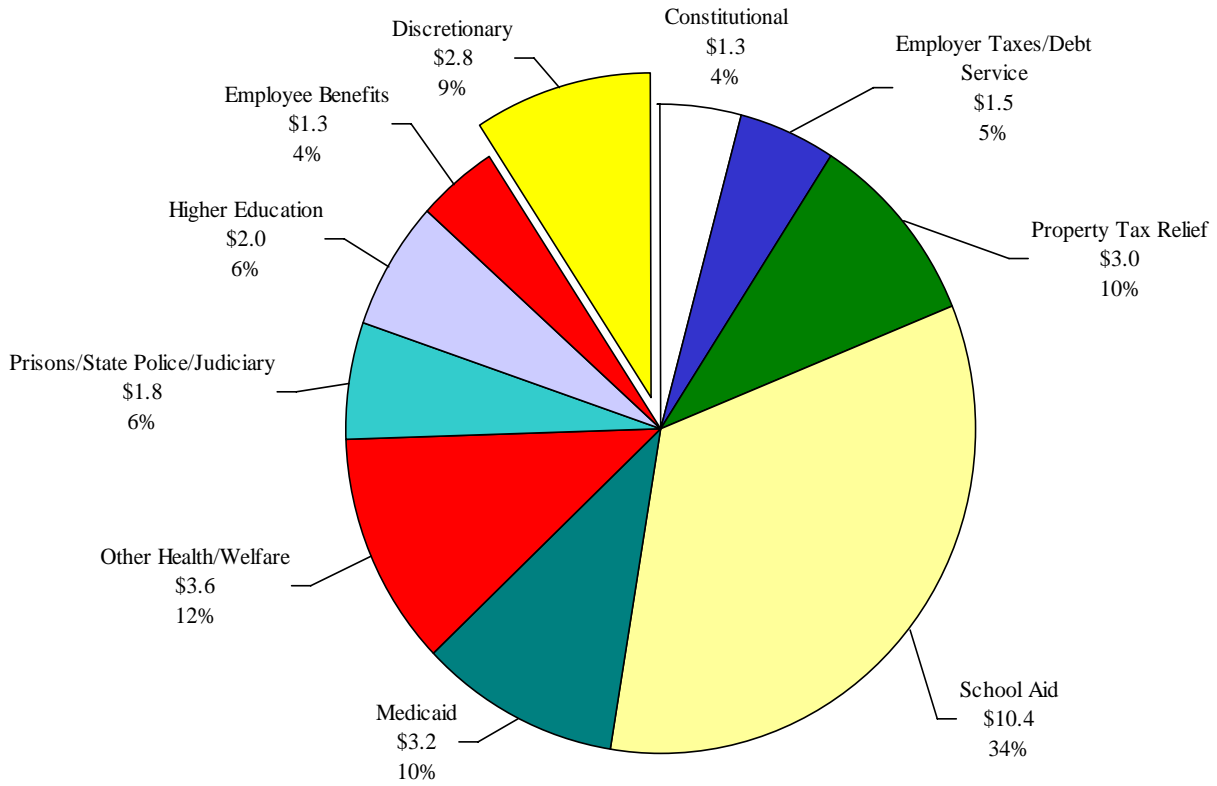
Surplus

(In Millions)



Fiscal Year 2007

(In Billions)



Total \$30.9 Billion

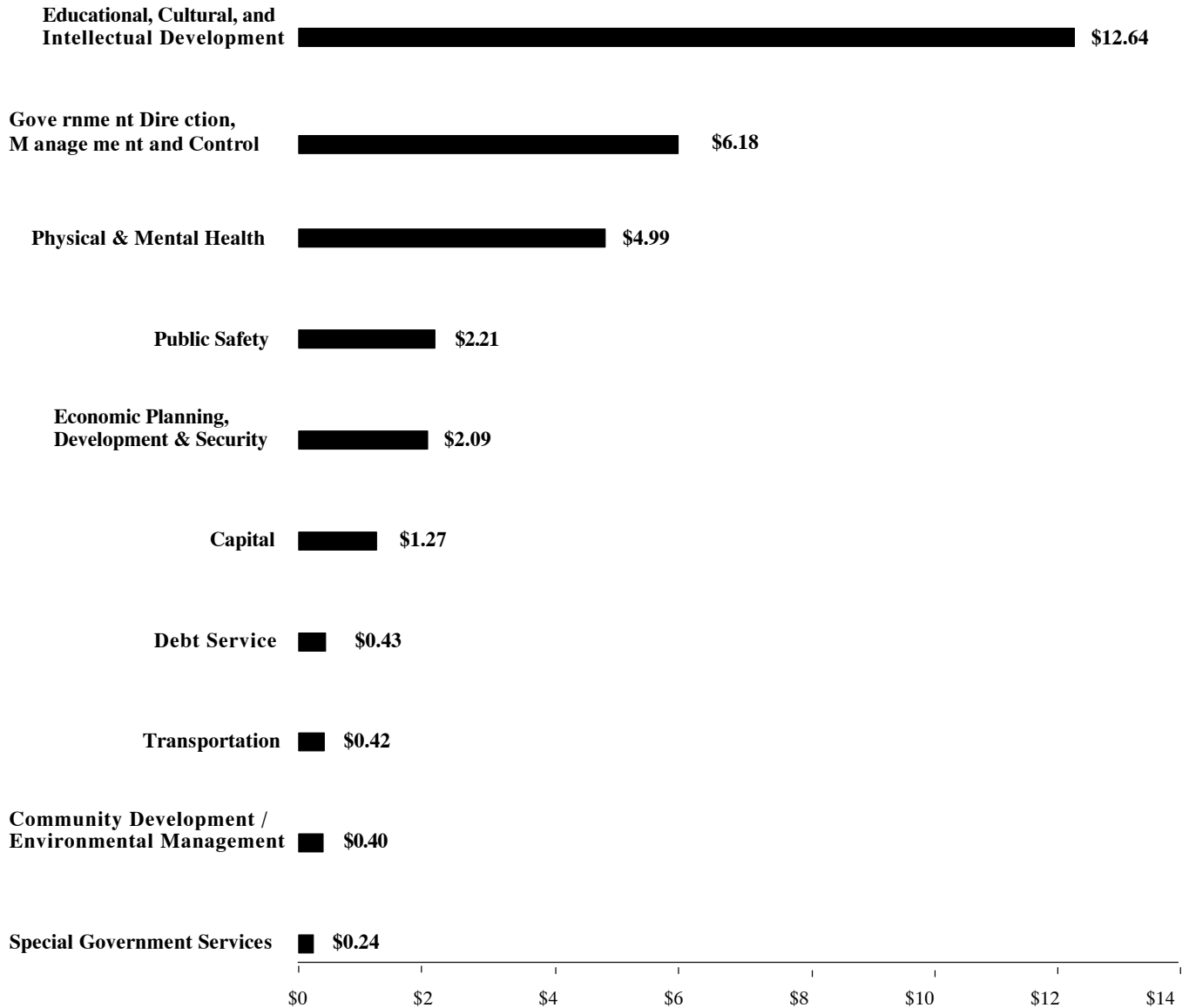
SUMMARIES OF APPROPRIATIONS

Projected Shortfall Continues Into FY 2008

(In Millions)

	<u>FY2007</u>	<u>FY2008</u>	<u>-----DIFF-----</u>	
			<u>\$</u>	<u>%</u>
OPENING FUND BALANCE	\$ 824	\$ 601	\$ (223)	-27.06%
REVENUES				
Income	11,615	12,805	1,190	10.2%
Sales	6,944	7,180	236	3.4%
Corporate	2,463	1,955	(508)	-20.6%
Other	7,829	7,850	21	0.3%
FY 2007 Revenue Solutions	1,801	1,746	(55)	-3.0%
Total	<u>\$ 30,652</u>	<u>\$ 31,536</u>	<u>\$ 884</u>	<u>2.9%</u>
RECOMMENDATIONS/PROJECTIONS	\$ 30,875	\$ 33,069	\$ 2,194	7.1%
Employee Benefits (other than pensions)	\$ 735			
Pensions 80%	355			
Debt Service	260			
Aid to Education	350			
Medicaid	320			
One-Time Balances/Federal Funds	154			
Deferred COLA and Increments	50			
Continued Hiring Freeze	(30)			
FUND BALANCE	<u>601</u>	<u>(932)</u>	<u>(1,533)</u>	<u>-255.0%</u>

Fiscal 2007
Summary of Recommendations
by Statewide Program
(In Billions)



NOTES

NOTES



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.

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 individuals, counties, municipalities, and school districts.

The Casino Revenue Fund accounts for the taxes imposed on the casinos and other related activities. 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.

The schedule on the following page displays the information for the State's fiscal years ending June 30.

REVENUES & EXPENDITURES

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

	Fiscal Years Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Beginning Balances July 1			
General State Funds	\$2,006,106	\$2,392,820	\$2,436,828
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	4,975,834	4,884,809	5,142,320
<i>Total Beginning Balances</i>	<u>6,981,940</u>	<u>7,277,629</u>	<u>7,579,148</u>
Revenues			
General State Funds	41,193,878	41,909,631	45,297,666
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	6,090,658	6,168,446	6,381,829
Total	47,284,536	48,078,077	51,679,495
<i>Less: Interfund Transfers</i>	3,902,479	1,912,111	1,900,567
Net Revenues	<u>50,363,997</u>	<u>53,443,595</u>	<u>57,358,076</u>
Other Adjustments			
General State Funds	169,181	112,227	—
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	2,325,746	89,000	75,200
<i>Total Other Adjustments</i>	<u>2,494,927</u>	<u>201,227</u>	<u>75,200</u>
Net Available	<u>52,858,924</u>	<u>53,644,822</u>	<u>57,433,276</u>
Expenditures			
General State Funds	40,976,345	41,977,850	45,520,493
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	5,095,924	4,949,126	4,982,457
Total	46,072,269	46,926,976	50,502,950
<i>Less: Interfund Transfers</i>	(490,974)	(861,302)	(464,644)
Net Expenditures	<u>45,581,295</u>	<u>46,065,674</u>	<u>50,038,306</u>
Ending Balances June 30			
General State Funds	2,392,820	2,436,828	2,214,001
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	4,884,809	5,142,320	5,180,969
Total Ending Balances	<u>\$7,277,629</u>	<u>\$7,579,148</u>	<u>\$7,394,970</u>

REVENUES & EXPENDITURES

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

	Fiscal Year Ending June 30	
	2006 Estimated	2007 Estimated
Beginning Balances July 1		
Undesignated Fund Balances		
General Fund	\$ 461,701	\$ 514,628
Surplus Revenue Fund	288,654	300,372
Property Tax Relief Fund	27,875	—
Gubernatorial Elections Fund	—	—
Casino Control Fund	1,289	8,527
Casino Revenue Fund	—	—
<i>Total Undesignated Fund Balances</i>	<i>779,519</i>	<i>823,527</i>
State Revenues		
General Fund	17,046,944	18,504,392
Property Tax Relief Fund	10,585,000	11,615,000
Gubernatorial Elections Fund	700	700
Casino Control Fund	63,512	63,512
Casino Revenue Fund	500,941	468,087
<i>Total State Revenues</i>	<i>28,197,097</i>	<i>30,651,691</i>
Other Adjustments		
General Fund		
Balances lapsed	98,565	—
From/(To) Property Tax Relief Fund	267,037	—
From/(To) Gubernatorial Elections Fund	(1,825)	—
From/(To) Casino Control Fund	(15,765)	—
From/(To) Surplus Revenue Fund	(11,718)	—
Property Tax Relief Fund		
From/(To) General Fund	(267,037)	—
Balances lapsed	13,662	—
Gubernatorial Elections Fund		
From/(To) General Fund	1,825	—
Casino Control Fund		
From/(To) General Fund	15,765	—
Surplus Revenue Fund		
From/(To) General Fund	11,718	—
<i>Total Other Adjustments</i>	<i>112,227</i>	<i>—</i>
<i>Total Available</i>	<i>29,088,843</i>	<i>31,475,218</i>
Appropriations		
General Fund	17,330,311	18,719,392
Property Tax Relief Fund	10,359,500	11,615,000
Gubernatorial Elections Fund	2,525	—
Casino Control Fund	72,039	72,039
Casino Revenue Fund	500,941	468,087
<i>Total Appropriations</i>	<i>28,265,316</i>	<i>30,874,518</i>
Ending Balances June 30		
Undesignated Fund Balances		
General Fund	514,628	299,628
Surplus Revenue Fund	300,372	300,372
Property Tax Relief Fund	—	—
Gubernatorial Elections Fund	—	700
Casino Control Fund	8,527	—
Casino Revenue Fund	—	—
<i>Total Undesignated Fund Balances</i>	<i>\$ 823,527</i>	<i>\$ 600,700</i>

REVENUE FORECAST & INITIATIVES

Fiscal 2006 Anticipated Revenue

The current estimate of \$28.2 billion in total fiscal 2006 revenue is \$321 million higher than when the Governor certified revenues in June 2005.

The three largest taxes, Gross Income, Sales and Use, and Corporation Business account for about 71% of total State revenues and are now forecast to yield \$20.1 billion. This represents an increase of \$479.0 million over certified revenues, reflecting the following revisions (+/-) in the estimates for: the Gross Income Tax (+\$250 million), due to strong collections generated by the higher 8.97% tax rate and continued employment growth in 2005; the Sales Tax (-\$174 million) reflecting continued softness in year-to-date collections; and the Corporation Business Tax (+\$403 million), based on strong year-to-date collections, which reflect strong profit growth in 2005.

The Gross Income Tax forecast for fiscal 2006 is revised up to \$10.6 billion, an increase of \$250 million compared to the June 2005 certified revenue estimate. This represents an increase in growth of 11% rather than the 8.4% growth anticipated in June 2005. This was mainly driven by solid double-digit growth of almost 21%, compared to the 17% anticipated rate, in year-to-date estimated payments. Employer withholdings grew by 9.9% in calendar year 2005, only slightly below the 10.2% growth in 2004. The overall momentum of economic recovery during calendar year 2005 when New Jersey added 42,400 jobs along with maintaining a state unemployment rate consistently below the national rate has helped the growth in income tax collections.

The Sales and Use Tax is estimated to generate \$6.7 billion in fiscal 2006, a 3.1% growth compared to the 5.8% rate originally projected. The estimate was decreased on the basis of year-to-

date collection trends. The July-September quarter saw very weak growth of only 2.3% but that rebounded in the October-December quarter to 4.3%. We anticipate continued moderate growth for the balance of the year.

The Corporation Business Tax (CBT) is estimated to generate \$2.8 billion in fiscal 2006, which is \$403 million above the original estimate of \$2.4 billion. The upward revision in the CBT estimate is in line with the year-to-date collections trend. Strong pre-tax profit growth in 2005, estimated nationally at over 30%, combined with an 8% decline in the level of refunds paid through January support this revision.

Fiscal 2007 Revenue Projections

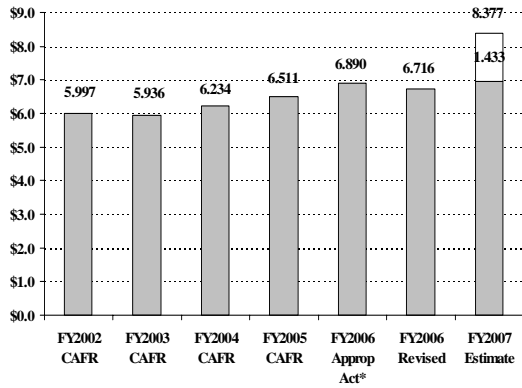
Total revenues for fiscal 2007 are expected to be \$30.7 billion, \$2.5 billion above the revised fiscal 2006 anticipation, and include new revenue solutions of \$1.8 billion. Base revenues are expected to grow moderately in fiscal 2007. Most economic indicators for the nation and New Jersey are projected to be at least as strong in 2006 as they were in 2005 and somewhat softer in 2007. Absent any of the revenue actions that have been proposed by the Governor, base revenue for fiscal 2007 would have been only \$29 billion which is \$800 million more than the total revenue in the current budget.

Sales Tax

The forecast of \$8.4 billion for fiscal 2007 Sales Tax revenues is an increase of \$1.7 billion, which includes \$1.1 billion for a rate change to 7%, \$248 million for expanding the Sales Tax base to selected consumer services and \$100 million for Urban Enterprise Zone reform. The basic underlying growth of 3.4% is the average growth of the Sales Tax over the FY01-05 period. With continued growth of payroll employment in the 1-1.5% range over 2006-07 and personal income growth in the 5.5-6% range, spending should keep growing at a moderate pace.

SALES TAX

(In Billions)



FY07 includes \$1.433 billion in initiatives.

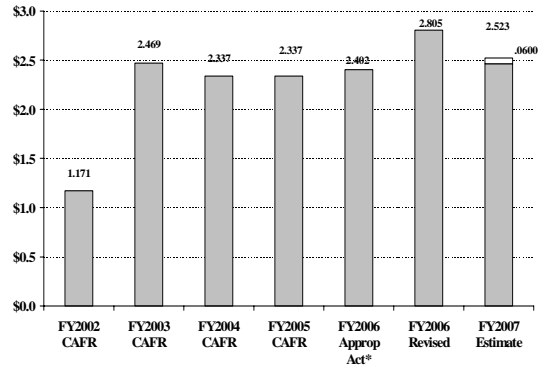
Sales tax excludes the tax on energy
 CAFR – Comprehensive Annual Financial Report
 *Restated

Corporation Business Tax

The fiscal 2007 Corporation Business Tax (CBT) revenue forecast of \$2.5 billion represents a decrease of \$282 million (or 10.1%), compared with revised fiscal 2006. This net downward revision is the result of losses due to the resumption of full net operating loss (NOL) deductibility (-\$205 million), reduction in the tax rate on S-corporations from 1.33% to 0.67%, and the addition of a 2.5% surcharge (+\$60 million). It also assumes slower growth in payments for tax year 2006 associated with the anticipated slow down in corporate pre-tax profit growth from over 30% in 2005 to under 10% in 2006.

CORPORATION BUSINESS TAX

(In Billions)



FY07 includes \$60 million in initiatives.

Corporation business tax excludes the tax on energy
 CAFR – Comprehensive Annual Financial Report
 *Restated

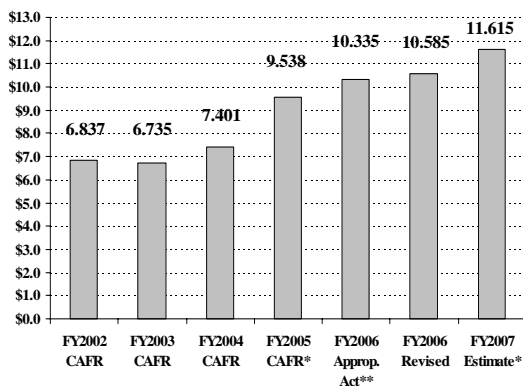
Gross Income Tax

The fiscal 2007 forecast of \$11.6 billion is an increase of \$1.0 billion, which includes a \$105 million decline for new low-income tax relief initiatives. The basic underlying growth of 10.7% over revised fiscal 2006 is a reflection of the continuation of current income growth trends. New Jersey Total Income, which is the tax base, increased 9.5% in 2004. In 2005 and 2006, the tax base is projected to grow at 8.9% and 8.3%, respectively, reflecting the strong anticipated personal income outlook for 2005 and 2006. The growth in income for households reporting over \$100,000 in total income, who account for 80% of the tax, is expected to grow at a 13% average annual rate (2004-2006). This is slightly below the 14.6% rate experienced in the 1994-96 period when economic conditions were similar.

REVENUES & EXPENDITURES

GROSS INCOME TAX

(In Billions)



*These revenues include changes in tax policy.
 FY 2005 – Tax rate increase on incomes of \$500,000 or greater
 FY 2007 – Low income refundable tax credit proposal
 **Restated

The budget also assumes a new low-income refundable tax credit will be effective for tax year 2006. This will provide 100% tax relief for filers who are married-filing jointly, household heads, and qualifying spouses who report less than \$25,000 in taxable NJ income. Taxpayers in these groups with taxable incomes between \$25,000 and \$30,000 will receive a credit that declines over that range from 100% to 0%.

Taxpayers who file as single or married-separate will be eligible for a 100% refundable credit if their taxable income is less than \$15,000. The credit will phase-down from 100% to 0% over the taxable income range of \$15,000 - \$20,000.

Eligibility for the credit will be limited to taxpayers for whom the total of NJ taxable income plus excluded income sources such as Social Security, tax-exempt interest, and excluded retirement income is under \$20,000 for single and married-separate filers and \$30,000 for all other filers.

Revenue Initiatives

Sales and Use Tax (\$1.085 billion)

The proposed Fiscal 2007 Budget assumes the Sales and Use Tax rate will increase from 6% to 7%, effective July 1, 2006.

Sales Tax on Consumer Services (\$248 million)

The economy has grown and modernized since the Sales and Use Tax was first introduced in 1967. Consumer spending has shifted from primarily goods to a wide mix of consumer services and electronically accessed goods which are not included in the sales tax base. The Fiscal 2007 Budget would expand the Sales and Use Tax to include a broad array of consumer services, effective October 1, 2006. Affected items could include membership fees in golf and health clubs, landscaping services, shipping and handling services, self-storage services, private investigator services, electronic data access, and downloaded music and videos.

Sales Tax: Reform of Urban Enterprise Zones (\$100 million)

This Administration will seek to restructure the Urban Enterprise Zone (UEZ) program, preserving its attributes, while preventing manipulation of its benefits by a small number of businesses. UEZ promotes economic growth in 37 of the State's municipalities by allowing a reduced 3% sales tax rate and returning to the affected municipalities a portion of the sales tax revenue collected in their zones. In fiscal 2007, it is estimated that \$84 million in sales tax revenue will be returned to zones.

UEZ also allows qualified zone businesses to be exempt from all sales tax on purchases of construction materials and other equipment and supplies. Contrary to the program's goals, these current exemptions have given a disproportionately large financial benefit to a relatively small number of businesses. As a first step to more precisely target these incentives, the sales tax exemption for qualified businesses would be limited to the purchases of goods and materials related to building, initially equipping, or expanding a commercial structure within the UEZ. Sales tax

would be rebated upon submission of auditable receipts, beginning in July 2007.

Other reforms will:

- Initiate an examination and auditing program in the Division of Taxation to uncover and prosecute fraudulent or abusive practices by vendors.
- Evaluate whether the 3% sales tax rate is appropriate for high-ticket, personal luxury items and examine potential exclusions.

These changes will continue to support economic development in the identified areas of the state by maintaining the existing \$80 million UEZ municipal revenue stream, which supports critical infrastructure and development. Ending fraud and abuse of the UEZ program will benefit the State by an estimated \$100 million in sales tax revenue in fiscal 2007.

Cigarette Tax (\$80 million)

The Fiscal 2007 Budget assumes additional revenue from increasing the cigarette tax from \$2.40 per pack of 20 cigarettes to \$2.75 per pack. This proposed increase assumes an effective date of July 1, 2006.

Corporation Business Tax Surcharge (\$60 million)

The Corporation Business Tax (CBT) accounts for about 8.4% of the total revenue collections. The Fiscal 2007 Budget assumes that a 2.5% surcharge will be assessed on all corporations with fiscal years beginning on or after January 1, 2006.

State Disability Benefits Fund (\$50 million)

The Fiscal 2007 Budget proposes a \$50 million diversion from the State Disability Benefit Fund. The fund's fiscal 2006 ending balance is projected to be a healthy \$189 million and would have grown to an estimated \$231 million in fiscal 2007, the highest fund balance since fiscal 1996. Annual revenues were projected to outpace expenditures by approximately \$42 million. Following the proposed \$50 million diversion, the fund is projected to have an ending balance of \$181 million. This initiative should not materially impact the fund's ability to meet its obligations.

Autonomous Transportation Authorities (\$38 million)

Prior to fiscal 2005, the New Jersey Turnpike / Parkway Authority provided an annual contribution of \$22 million towards transportation-related projects statewide, which were funded primarily from the Transportation Trust Fund. Over the past two fiscal years, the Authority retained these funds and allocated them to partially offset costs associated with the repair and rehabilitation of the Driscoll Bridge in Middlesex County. Beginning in fiscal 2007, the New Jersey Turnpike will resume a contribution of \$12 million for the Transportation Trust Fund and provide an additional \$37.5 million. These additional funds will be used for transportation-related projects by the Department of Transportation.

Audit and Enforcement Collection (\$36 million)

Increased revenue of \$36 million is projected from new and expanded initiatives to improve the collection of outstanding tax delinquencies. These measures will be spearheaded by the Department of the Treasury through accelerated and concentrated efforts by audit and compliance staff. Collection of tax and other delinquencies can be enhanced through numerous means, such as improved technology, cross-jurisdictional cooperation and inter-agency efforts. The Treasury Department will leverage these tools and others to improve collection of arrears for state income tax, corporation business tax, sales tax, cigarette tax and other liabilities. These efforts will focus on how to achieve maximum returns with the most cost-efficient approach to enforcement.

State Police Rural Patrol (\$24 million)

In the proposed Fiscal 2007 Budget, municipalities that have requested rural patrol services from the State Police would provide a partial reimbursement to offset this cost.

Per N.J.S.A. 53:2-1 (P.L. 1921), the State Police must provide adequate police protection to the inhabitants of rural sections of the State of New Jersey. Currently, there are 73 municipalities receiving full rural patrol services with an

REVENUES & EXPENDITURES

additional 24 receiving part-time services. In fiscal 2005, the Department of Law and Public Safety expended \$74.2 million for this purpose.

AVERAGE NET PROPERTY TAX

TOWNS USING RURAL POLICING

FULL TIME COVERAGE	\$2,892
PART TIME COVERAGE	\$4,075
N.J. AVERAGE PROPERTY TAX	\$4,537

Towns receiving these services have significantly lower municipal tax rates than those with their own police forces.

With this Budget, those towns with a higher property tax rate than their respective county average will continue to be provided rural patrol services by the New Jersey State Police. For towns with tax rates below their county average or where residential property values are higher than the county average, a reimbursement schedule will be established that will generate revenue of \$24 million.

Motor Vehicle Fees: Surcharge on New Luxury Car Registrations (\$17 million)

A new one-time registration fee will be imposed on selected passenger vehicles being registered for the first time with the NJ Motor Vehicle Commission (MVC) after June 30, 2006. This one-time fee assessed at a 0.4% rate of the sticker price (manufacturer suggested retail price) will apply to 2 types of vehicles:

1. **Luxury vehicles** (including pickups and SUVs) with a sticker price of \$45,000 or more.
2. **Fuel-inefficient vehicles** with an EPA rating of less than 19 miles per gallon.

Any vehicle priced over \$45,000 that has an EPA rating of over 40 miles per gallon would be

exempt. The fee is paid only the first time the vehicle is registered at MVC and is in addition to the current MVC fees. Subsequent registration renewals will be at the current MVC rates which range from \$43 to \$81 per year.

Realty Transfer Tax on Commercial Property Greater Than \$1 Million (\$17 million)

The Fiscal 2007 Budget assumes that the 1% fee on grantees (buyers) of residential property in excess of \$1 million be extended to transfers of commercial property valued in excess of \$1 million. Non-profit and manufacturing properties would be exempt. This is assumed to be effective July 1, 2006.

Alcoholic Beverage Excise (\$12 million)

Excise taxes on sales of alcoholic beverages were last increased in 1992. The tax on a gallon of beer would be raised 5 cents a gallon (from \$0.12 to \$0.17), the tax on a gallon of wine would increase 10 cents a gallon (from \$0.70 to \$0.80), and the tax on a gallon of liquor would increase 10 cents (from \$4.40 to \$4.50). The Fiscal 2007 Budget assumes the new rates are effective July 1, 2006.

Water Supply Surcharge (\$12 million)

A new surcharge in the amount of 4 cents per 1,000 gallons of water will be imposed on owners or operators of public community water supply systems, which will result in an average cost of \$3 to \$4 per household per year. The Fiscal 2007 Budget proposes to capitalize this revenue to leverage over \$100 million. A fund this size will enable the State to immediately address urgent drought mitigation and water resource interconnection projects.

Medicaid Uncompensated Care: Enhanced Disproportionate Share Hospital Claims (\$8 million)

Disproportionate share payments include all State programs and grants to hospitals to offset costs of medical care provided to the uninsured. The State then claims a federal match on these payments through Medicaid. This revenue enhancement will generate \$8 million in unclaimed federal revenues for past expenses that were paid through HMO

fiscal intermediaries. It will not adversely impact recipients or beneficiaries.

**Nuclear Facilities Security Detail
(\$4 million)**

By assessing the power plant facilities that utilize State Police and State National Guard personnel for added security, the Fiscal 2007 Budget proposes to raise additional revenue of \$4.4 million.

As a result of the terrorist attacks on September 11, 2001, increased security was mandated for the State's nuclear power plants. State Police troopers are assigned to provide 24

hour a day security details in and around the nuclear power plants at Oyster Creek in Lacey Township and Salem Creek in Lower Alloways Creek Township.

In addition, all key power generating stations throughout New Jersey now have State National Guard troops assigned to supplement the existing security at each facility.

It is proposed that an assessment for the costs attached to supplementing the private security of these facilities with State Police and State National Guard be apportioned to the responsible corporate entity. It is anticipated that this will result in total revenues to the State of approximately \$4.4 million to offset expenditures of \$1.6 million for the State Police and \$2.8 million for the National Guard.

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 thirteen 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 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. A tax rate increase of 1% from 6% to 7% is proposed for the fiscal year beginning July 1, 2006.

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. There is a 2.5% surcharge on all corporations with fiscal years beginning on or after January 1, 2006.

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 Motor Vehicle Commission.

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 (expires July 1, 2006), 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		
	2005 Actual	2006 Estimated	2007 Estimated
Major Taxes:			
Sales	6,552,199	6,733,300	8,410,400
Corporation Business	2,366,435	2,901,700	2,585,271
Motor Fuels	547,325	543,000	554,000
Transfer Inheritance	520,776	580,000	539,000
Cigarette	633,628	640,000	490,833
Realty Transfer	384,975	455,000	475,500
Insurance Premium	431,481	445,000	462,000
Motor Vehicle Fees	263,360	264,805	275,244
Petroleum Products Gross Receipts	248,534	247,000	252,000
Corporation Banks and Financial Institutions	105,381	130,000	125,000
Alcoholic Beverage Excise	88,359	91,000	106,000
Tobacco Products Wholesale Sales	11,514	13,000	14,000
Public Utility Excise (Reform)	10,367	10,000	10,000
<i>Total Major Taxes</i>	<i>12,164,334</i>	<i>13,053,805</i>	<i>14,299,248</i>
Miscellaneous Taxes, Fees, and Revenues:			
Executive Branch—			
Department of Agriculture:			
Animal Health – Laboratory Test Fees	125	—	—
Environmental Services	192	—	—
Fertilizer Inspection Fees	506	366	366
Milk Control Licenses and Fees	718	—	—
Miscellaneous Revenue	404	4	362
	1,945	370	728
Department of Banking and Insurance:			
Actuarial Services	45	54	55
Bank Assessments	3,153	3,000	9,093
Banking – Examination Fees	2,221	2,300	—
Banking – Licenses and Other Fees	12,608	7,800	4,447
FAIR Act Administration	19,778	16,000	16,500
Fraud Fines	1,954	2,000	2,000
Insurance – Examination Billings	2,035	2,400	2,400
Insurance – Special Purpose Assessment	13,696	14,896	15,219
Insurance Fraud Prevention	31,807	31,836	32,000
Insurance Licenses and Other Fees	14,768	12,855	30,226
Public Adjusters Licenses	31	—	—
Real Estate Commission	11,744	7,000	10,000
	113,840	100,141	121,940
Department of Children and Families:			
Child Care Licensing/Adoption Law	314	350	350
Marriage License Fees	1,239	1,309	1,309
	1,553	1,659	1,659
Department of Community Affairs:			
Affordable Housing and Neighborhood Preservation – Fair Housing	19,767	20,300	20,300
Boarding Home Fees	670	—	—
Construction Fees	26,197	13,205	13,205
Divorce Filing Fees	1,209	1,276	1,276
Fire Safety	24,695	15,384	15,384
Housing Inspection Fees	11,733	8,108	8,108
Miscellaneous Revenue	127	—	—
NJ Meadowlands Development Commission	3,369	—	—
Planned Real Estate Development Fees	2,674	828	828
Truth In Renting	192	—	—
	90,633	59,101	59,101

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Corrections:			
Miscellaneous Revenue	8	—	—
Violent Crime Compensation	9	—	—
	<u>17</u>	<u>—</u>	<u>—</u>
Department of Education:			
Audit Recoveries	1,038	425	425
Audit of Enrollments	1,590	1,228	137
Local School District Loan Recoveries – NJEDA	9,067	8,369	8,268
Miscellaneous Revenue	29	—	—
Nonpublic Schools Handicapped and Auxiliary Recoveries	10,330	—	—
Nonpublic Schools Textbook Recoveries	1,351	1,000	1,000
School Construction Inspection Fees	2,547	3,246	2,150
State Board of Examiners	8,067	4,600	5,000
	<u>34,019</u>	<u>18,868</u>	<u>16,980</u>
Department of Environmental Protection:			
Air Pollution Fees – Minor Sources	3,358	3,500	10,000
Air Pollution Fees – Title V Operating Permits	13,151	13,100	13,100
Air Pollution Fines	3,381	3,250	3,250
Clean Water Enforcement Act	1,303	1,500	1,500
Coastal Area Facility Review Act	2,413	2,525	3,330
Endangered Species Tax Checkoff	216	200	200
Environmental Infrastructure Financing Program Administrative Fee	5,000	5,000	5,000
Excess Diversion	190	261	261
Freshwater Wetlands Fees	3,782	4,000	5,310
Freshwater Wetlands Fines	407	300	100
Hazardous Discharge Site Cleanup	6,118	—	—
Hazardous Waste Fees	2,616	2,990	4,260
Hazardous Waste Fines	755	400	675
Highlands Permitting	296	396	396
Hunters' and Anglers' Licenses	11,671	11,000	11,000
Industrial Site Recovery Act	711	800	1,120
Laboratory Certification Fees	814	780	780
Laboratory Certification Fines	8	20	20
Lake Restoration Fund	94	—	—
Marina Rentals	1,053	885	885
Marine Lands – Preparation and Filing Fees	2,160	120	140
Medical Waste	4,219	4,100	4,400
Miscellaneous Revenue	12	—	—
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	19,887	15,600	16,700
New Jersey Spill Compensation Fund	6,441	—	—
Parks Management Fees and Permits	5,472	4,300	4,300
Parks Management Fines	141	160	165
Pesticide Control Fees	4,230	4,200	4,200
Pesticide Control Fines	49	120	50
Radiation Protection Fees	4,199	3,740	5,439
Radiation Protection Fines	93	88	88
Radon Testers Certification	270	253	263
Recycling Fund	41	—	—
Safe Drinking Water Fund	860	—	—
Shellfish and Marine Fisheries	8	7	7
Solid Waste – Utility Regulation Assessments	4,108	3,100	3,100
Solid Waste Fines	564	900	700
Solid Waste Management Fees	8,096	8,080	11,700
Solid and Hazardous Waste Disclosure	237	—	—
Spring Meadow Golf Course	300	300	300
Stream Encroachment	2,722	2,860	3,710
Toxic Catastrophe Prevention Fees	1,366	1,366	1,366
Toxic Catastrophe Prevention Fines	29	44	44
Treatment Works Approval	1,170	1,877	1,957
Underground Storage Tanks Fees	1,155	1,000	1,400
Water Allocation	1,687	2,050	2,050
Water Supply Fund	322	—	—
Water Supply Management Regulations	1,330	1,300	1,300

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Water Supply Surcharge	—	—	12,000
Water/Wastewater Operators Licenses	211	215	215
Waterfront Development Fees	2,687	2,800	3,510
Waterfront Development Fines	14	10	10
Well Permits/Well Drillers/Pump Installers Licenses	1,123	1,100	1,100
Wetlands	81	91	140
Worker Community Right to Know – Fines	38	40	40
	<u>132,659</u>	<u>110,728</u>	<u>141,581</u>
 Department of Health and Senior Services:			
Admission Charge Hospital Assessment	6,000	6,000	6,000
Clinical Laboratory	617	—	—
Consumer Health Penalties	5,842	—	—
HMO Covered Lives	1,576	1,800	1,800
Health Care Reform	1,200	1,200	1,200
Licenses, Fines, Permits, Penalties & Fees	4,780	790	790
Miscellaneous Revenue	132	400	400
Pharmaceutical Assistance to the Aged – Recoveries	5,677	—	—
	<u>25,824</u>	<u>10,190</u>	<u>10,190</u>
 Department of Human Services:			
Commission for the Blind – Miscellaneous	567	—	—
Early Periodic Screening, Diagnosis and Treatment	139	4,000	4,000
Family Care II	589	—	—
Interim Assistance	567	—	—
Medicaid Uncompensated Care – Acute	226,573	275,799	236,325
Medicaid Uncompensated Care – Mental Health	34,186	33,055	33,055
Medicaid Uncompensated Care – Psychiatric	189,966	184,458	178,685
Medical Assistance – Recoveries	22,296	—	—
Medical Assistance–Federal Match on PAAD/Medicaid Dual Eligibles	1	1,400	—
Miscellaneous Revenue	1,152	5,500	1,500
Patients’ and Residents’ Cost Recovery – Developmental Disability	15,770	15,612	15,612
Patients’ and Residents’ Cost Recovery – Psychiatric Hospitals	69,569	55,991	56,483
Payments for Medical Assistance Recipients – Prescription Drugs	294,421	—	—
Purchased Institutional Care	2,606	—	—
School Based Medicaid	4,583	7,126	7,126
	<u>862,985</u>	<u>582,941</u>	<u>532,786</u>
 Department of Labor and Workforce Development:			
Miscellaneous Revenue	133	200	155
Special Compensation Fund	2,341	1,708	1,708
State Disability Benefits Fund	7,545	—	—
Urban Enterprise Zone Administration Cost	30	—	—
Workers’ Compensation Assessment	20,267	12,285	12,285
Workforce Development	27,863	—	—
Workplace Standards – Licenses, Permits and Fines	9,791	2,820	4,720
	<u>67,970</u>	<u>17,013</u>	<u>18,868</u>
 Department of Law and Public Safety:			
Beverage Licenses	9,505	3,960	3,960
Charities Registration Section	1,486	695	695
Consumer Affairs	5,129	—	—
Controlled Dangerous Substances	895	100	100
Criminal Disposition	490	—	—
EDA School Construction Recoveries	917	955	955
Forfeiture Funds	—	—	250
General Client Services	36,190	—	—
Legal Services	23,883	—	—
Legalized Games of Chance Control	1,258	1,200	1,200
Miscellaneous Revenue	425	400	—
New Jersey Cemetery Board	270	120	96
New Jersey Emergency Medical Service Helicopter Response Program	—	—	21,000
Pleasure Boat Licenses	2,426	3,000	3,000

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Private Employment Agencies	706	258	258
Retired Officer Handgun Permit	215	—	—
Safe & Secure Receipts	239	—	—
Securities Enforcement	38,255	7,794	8,994
State Board of Architects	950	450	420
State Board of Audiology and Speech–Language Pathology Advisory	88	270	18
State Board of Certified Psychoanalysts	—	50	150
State Board of Certified Public Accountants	510	1,425	42
State Board of Chiropractors	231	675	90
State Board of Cosmetology and Hairstyling	6,221	625	2,700
State Board of Court Reporting	28	75	9
State Board of Dentistry	540	1,415	210
State Board of Electrical Contractors	869	1,200	300
State Board of Marriage Counselor Examiners	989	150	420
State Board of Master Plumbers	1,044	75	540
State Board of Medical Examiners	18,866	2,125	6,600
State Board of Mortuary Science	643	300	210
State Board of Nursing	6,503	3,750	2,400
State Board of Occupational Therapists and Assistants	83	375	16
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	74	270	12
State Board of Optometrists	570	30	270
State Board of Orthotics and Prosthetics	81	31	25
State Board of Pharmacy	2,966	300	1,260
State Board of Physical Therapy	192	600	30
State Board of Professional Engineers and Land Surveyors	730	1,050	300
State Board of Professional Planners	80	45	12
State Board of Psychological Examiners	906	75	480
State Board of Public Movers and Warehousemen	280	—	—
State Board of Real Estate Appraisers	328	1,050	51
State Board of Respiratory Care	46	150	10
State Board of Social Workers	1,727	300	200
State Board of Veterinary Medical Examiners	592	60	270
State Police – Fingerprint Fees	13,790	2,694	3,694
State Police – Nuclear Facilities Security Detail	—	—	1,600
State Police – Other Licenses	269	230	230
State Police – Private Detective Licenses	488	220	220
State Police – Rural Patrol	—	—	24,000
State Police Recruit Training	65	—	—
Victim and Witness Advocacy Fund	1,252	—	—
Violent Crime Compensation	8,426	3,930	3,930
Weights and Measures – General	4,238	2,612	2,612
	<u>196,954</u>	<u>45,089</u>	<u>93,839</u>
Department of Military and Veterans' Affairs:			
Miscellaneous Revenue	1,900	—	—
Nuclear Facilities Security Detail	—	—	2,780
Soldiers' Homes	28,620	31,393	33,326
	<u>30,520</u>	<u>31,393</u>	<u>36,106</u>
Department of Personnel:			
Examination Fees	1,136	—	—
Human Resource Development Institute	2,811	—	—
	<u>3,947</u>	<u>—</u>	<u>—</u>
Department of the Public Advocate:			
Office of Dispute Settlement Mediation	139	158	158
Rate Counsel	6,295	6,387	6,387
	<u>6,434</u>	<u>6,545</u>	<u>6,545</u>

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of State:			
Autism Medical Research	3,948	—	—
Governor's Teaching Scholars Program Loan Repayment	—	53	91
Miscellaneous Revenue	43	—	—
	3,991	53	91
Department of Transportation:			
Air Safety Fund	579	965	965
Applications and Highway Permits	2,548	1,300	1,300
Auto Body Repair Shop Licensing	527	9	536
Autonomous Transportation Authorities	2,292	2,500	52,000
Drunk Driving Fines	330	350	350
Good Driver	81,694	80,000	77,450
Graduated Driver's License	1,365	1,390	1,390
Heavy Duty Diesel Fines	540	450	450
Interest on Purchase of Right of Way	21	5	5
Logo Sign Program Fees	794	300	300
Miscellaneous Revenue	49	—	—
Motor Vehicle Database—Automated Access	47,170	47,250	47,500
Motor Vehicle Fees	112	—	—
Motor Vehicle Inspection Fund	82,409	82,800	78,900
Outdoor Advertising	5,906	5,240	5,240
Parking Offenses	459	410	410
Placarded Railcar	39	—	—
Rental Receipts – Tenant Relocation Program	442	—	—
Salvage Title Program	1,121	1,100	1,100
Special Plate Fees	1,077	750	750
Uninsured Motorists Program	5,695	5,000	5,000
	235,169	229,819	273,646
Department of the Treasury:			
Assessment on Real Property Greater Than \$1 Million	51,434	86,400	89,600
Assessments – Cable TV	4,241	4,443	4,443
Assessments – Public Utility	26,061	30,643	29,313
Audit and Enforcement Collection	—	—	36,000
Casino Fines	495	—	—
Coin Operated Telephones	4,220	3,600	3,600
Commercial Recording – Expedited	3,302	2,853	2,853
Commissions (Notary)	1,291	1,500	1,500
Communication Fee – Lottery	317	—	—
Cost Assessment	5,188	—	—
Domestic Security	—	—	5,000
Dormitory Safety Trust Fund – Debt Service Recovery	—	—	5,708
Equipment Leasing Fund – Debt Service Recovery	4,421	4,642	4,625
Escrow Interest – Construction Accounts	32	50	37
General Revenue – Fees (Commercial Recording and UCC)	48,016	44,800	44,800
Higher Education Capital Improvement Fund – Debt Service Recovery	2,766	—	15,383
Hotel/Motel Occupancy Tax	78,024	74,000	74,000
Investment Earnings	28,718	—	—
MVC Securitization	185	—	—
Miscellaneous Revenue	2,614	950	950
NJ Economic Development Authority	2,273	1,973	—
NJ Public Records Preservation	39,167	41,200	65,100
Nuclear Emergency Response Assessment	5,001	5,233	4,139
Public Defender Client Receipts	4,241	4,900	4,900
Public Utility – Customer Specific Tax	2,260	2,000	2,000
Public Utility Fines	2,818	3,000	1,200
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	75,827	75,000	75,000
Railroad Tax – Class II	3,484	3,500	3,500
Railroad Tax – Franchise	932	700	700
Sale of Real Property	137	—	—
State Disability Benefits Fund	41	—	—
Stormwater Management—Combined Sewer Overflow	1,497	—	—
Surplus Property	1,420	1,100	1,100
Tax Audit Services – Uncollected Revenue Recovery	286	—	—

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Tax Referral Cost Recovery Fee	6,723	6,600	6,600
Telephone Assessment	114,944	119,000	119,000
Tire Clean-Up Surcharge	9,119	9,000	9,000
Transitional Energy Facilities Assessment	239,609	226,779	186,328
	<u>771,104</u>	<u>753,866</u>	<u>796,379</u>
Other Sources:			
Miscellaneous Revenue	752	500	500
Interdepartmental Accounts:			
Administration and Investment of Pension & Health Benefit Funds – Recoveries	59,416	59,367	24,156
Employee Maintenance Deductions	300	300	300
Fringe Benefit Recoveries from Colleges and Universities	126,510	128,000	146,000
Fringe Benefit Recoveries from Federal and Other Funds	199,478	207,000	248,446
Fringe Benefit Recoveries from School Districts	31,570	35,000	49,450
Indirect Cost Recoveries – DEP Other Funds	10,617	10,500	11,307
MTF Revenue Fund	59,561	77,500	39,737
Rent of State Building Space	1,609	1,900	1,900
Social Security Recoveries from Federal and Other Funds	56,013	58,000	59,000
Standard Offer Payments – Utilities	1,977	—	—
	<u>547,051</u>	<u>577,567</u>	<u>580,296</u>
Judicial Branch—			
The Judiciary:			
Civil Arbitration Program	2,737	—	—
Court Fees	64,892	66,645	66,345
Miscellaneous Revenue	374	—	—
	<u>68,003</u>	<u>66,645</u>	<u>66,345</u>
<i>Total Miscellaneous Taxes, Fees, and Revenues</i>	<u>3,195,370</u>	<u>2,612,488</u>	<u>2,757,580</u>
Interfund Transfers:			
Beaches and Harbor Fund	28	76	94
Cigarette Tax Securitization Fund	1,190,000	—	—
Clean Waters Fund	8	5	10
Correctional Facilities Construction Fund	13	20	20
Correctional Facilities Construction Fund of 1987	38	32	13
Cultural Centers and Historic Preservation Fund	57	60	55
Dam, Lake, Stream and Flood Control Project Fund – 2003	—	—	175
Developmental Disabilities Waiting List Reduction Fund	529	765	313
Dredging and Containment Facility Fund	338	355	355
Emergency Flood Control Fund	8	12	12
Energy Conservation Fund	6	15	15
Enterprise Zone Assistance Fund	4,699	8,490	9,631
Fund for the Support of Free Public Schools	2,092	2,822	2,822
Garden State Farmland Preservation Trust Fund	1,879	1,765	1,765
Garden State Green Acres Preservation Trust Fund	5,279	5,007	5,007
Garden State Historic Preservation Trust Fund	640	617	617
Hazardous Discharge Fund	4	7	7
Hazardous Discharge Site Cleanup Fund	17,637	11,162	10,615
Housing Assistance Fund	—	232	140
Human Services Facilities Construction Fund	2	1	—
Jobs, Education and Competitiveness Fund	147	175	15
Jobs, Science and Technology Fund	1	—	—
Judiciary Bail Fund	586	1,050	1,050
Judiciary Child Support and Paternity Fund	479	800	800
Judiciary Probation Fund	233	325	325
Judiciary Special Civil Fund	56	90	90
Judiciary Superior Court Miscellaneous Fund	115	140	140
Legal Services Fund	9,791	10,410	10,410
Mortgage Assistance Fund	746	761	715
Motor Vehicle Security Responsibility Fund	5	3	3
Motor Vehicle Surcharge Securitization Fund	740,000	—	—
NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund	137	223	196

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Natural Resources Fund	78	90	53
New Home Warranty Security Fund	—	20,000	—
New Jersey Green Acres Fund – 1983	436	675	680
New Jersey Spill Compensation Fund	15,269	15,589	15,589
New Jersey Workforce Development Partnership Fund	13,570	17,266	17,266
Pollution Prevention Fund	2,168	1,775	1,775
Public Purpose Buildings Construction Fund	3	8	8
Public Purpose and Community Based Facilities Construction Fund	103	159	120
Safe Drinking Water Fund	1,804	2,368	2,368
Sanitary Landfill Facility Contingency Fund	—	—	5,000
School Fund Investment Account	3,532	3,582	3,582
Shore Protection Fund	354	457	445
Solid Waste Service Tax Fund	4	2	2
Special Compensation Fund	—	5,000	—
State Disability Benefit Fund	136,204	27,797	77,797
State Land Acquisition and Development Fund	7	6	3
State Lottery Fund	812,047	832,000	836,000
State Lottery Fund Administration	27,331	22,490	21,900
State Recreation and Conservation Land Acquisition and Development Fund	20	29	25
State Recycling Fund	1,046	—	—
State of New Jersey Cash Management Fund	2,391	3,034	3,034
Statewide Transportation and Local Bridge Fund	1,127	1,000	400
Supplemental Workforce Fund for Basic Skills	1,644	2,000	2,000
Tobacco Settlement Fund	—	12,922	196
Transportation Rehabilitation and Improvement Fund	7	11	11
Unclaimed Insurance Payments on Deposits Trust Fund	40	54	34
Unclaimed Personal Property Trust Fund	144,075	269,075	311,342
Unclaimed Utility Deposits Trust Fund	41	160	165
Unemployment Compensation Auxiliary Fund	17,530	17,607	22,297
Universal Services Fund	70,804	72,509	72,509
Wage and Hour Trust Fund	24	75	75
Water Conservation Fund	31	37	24
Water Supply Fund	3,683	3,911	3,911
Worker and Community Right to Know Fund	3,369	3,543	3,543
<i>Total Interfund Transfers</i>	<u>3,234,295</u>	<u>1,380,651</u>	<u>1,447,564</u>
Total State Revenues General Fund	<u>18,593,999</u>	<u>17,046,944</u>	<u>18,504,392</u>
PROPERTY TAX RELIEF FUND			
Gross Income Tax	9,537,939	10,585,000	11,615,000
CASINO CONTROL FUND			
Investment Earnings	310	500	500
License Fees	64,051	63,012	63,012
<i>Total Casino Control Fund</i>	<u>64,361</u>	<u>63,512</u>	<u>63,512</u>
CASINO REVENUE FUND			
Casino Simulcasting Fund	600	700	600
Gross Revenue Tax	388,593	413,913	424,000
Investment Earnings	976	1,000	1,000
Other Casino Taxes and Fees	85,492	85,328	42,487
PAAD Recoveries	143,565	—	—
<i>Total Casino Revenue Fund</i>	<u>619,226</u>	<u>500,941</u>	<u>468,087</u>
GUBERNATORIAL ELECTIONS FUND			
Taxpayers' Designations	517	700	700
TOTAL STATE REVENUES	<u>28,816,042</u>	<u>28,197,097</u>	<u>30,651,691</u>

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Dedicated:			
Executive Branch—			
Chief Executive:			
State Authority Review and Oversight	1,221	1,100	1,100
Department of Agriculture:			
Administration – Development Potential Transfer Bank	—	200	200
Administrative Costs – Farmland Preservation	650	700	415
Animal Disease Control	—	153	153
Commodity Distribution	2,141	1,501	1,501
Food Distribution Assessment	12	—	—
Fruit and Vegetable Grading Service	374	162	162
Future Farmers of America – Student Loans from Department of Education	71	75	75
Garden State Preservation Trust	—	—	125
Horse Breeding and Development Fund	335	380	380
Marketing and Development Services	—	724	724
Nursery Inspection Program	—	265	289
Organic Certification	145	150	75
Plant Pest and Disease Control	—	23	23
Poultry Service	1,043	810	810
Risk Management Commodity Partnership	62	—	—
Sire Stakes	4,460	5,000	5,000
Standardbred Breeder Awards	201	240	240
Stormwater Discharge Permit Fees	—	250	250
Wine Promotion Program	120	90	90
Miscellaneous	269	227	252
	9,883	10,950	10,764
Department of Banking and Insurance:			
Public Adjusters Licensing	—	52	52
Small Employer Health Benefits	336	380	380
Supervision and Examination of Financial Institutions	—	400	400
Miscellaneous	102	64	64
	438	896	896
Department of Children and Families:			
Administration and Support Services	35,117	22,756	24,573
Adopt U.S. Kids	23	—	—
Child Protective and Permanency Services	—	1,657	1,797
Criminal History Record Checks	272	120	120
Domestic Violence Victims Fund	596	—	—
Legally Responsible Relatives – Probation Supplement	3,035	2,054	2,054
Old Age Survivors Insurance	1,137	1,492	1,492
	40,180	28,079	30,036
Department of Community Affairs:			
Boarding Home Regulation and Assistance	—	700	775
Fire Certification Program	40	325	325
Grants to Displaced Homemaker Centers	654	688	688
Historic Preservation License	29	25	25
Housing Code Enforcement	—	3,756	4,719
Housing Opportunities for Persons with AIDS	1,380	923	1,318
Housing Services	75,604	80,000	80,000
Lead Hazard Control Assistance Fund Administration	66	500	545
Neighborhood Revitalization Tax Credit	750	—	—
New Home Warranty Program	3,934	4,816	4,816
New Jersey Meadowlands Commission – Operations	—	3,205	110
New Jersey Meadowlands Tax Sharing Stabilization Fund	—	279	190
Paterson Housing Opportunities for Persons with AIDS Program	470	600	600
Prevention of Homelessness	495	243	293
Section 8 Housing Voucher Portability	—	1,600	1,600
Truth in Renting	—	150	150
Uniform Construction Code	—	9,327	10,442
Uniform Fire Code	—	10,000	10,485
Miscellaneous	1,649	1,125	1,161
	85,071	118,262	118,242

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Corrections:			
Administration and Support Services	23,373	22,553	23,497
Workplace Literacy – Learning Lab Program	176	—	—
Miscellaneous	1,049	464	—
	24,598	23,017	23,497
Department of Education:			
Abbott Implementation	—	11,734	10,619
Compliance and Auditing	136	200	385
Early Childhood Compliance Audits	—	299	307
Early Childhood Education	—	2,442	2,575
Early Childhood Enrollment Audits	—	211	230
Facilities Planning and School Building Aid	—	824	—
Katzenbach PLUS Program	677	686	787
Marie H. Katzenbach School for the Deaf – Tuition from Local Boards	9,007	8,737	9,496
Professional Development and Licensure	41	1,300	1,000
Rental of Vacant Building Space	522	546	544
State Action for Education Leadership Project	151	100	100
Student Registration and Record System	—	—	6,522
Vocational Technology Upgrade	300	—	—
Miscellaneous	162	41	41
	10,996	27,120	32,606
Department of Environmental Protection:			
Administrative Costs – Natural Resources Damages	—	2,316	936
Administrative Costs Water Supply Bond Act of 1981 – Management	—	330	94
Administrative Costs Water Supply Bond Act of 1981 – Planning and Standards	—	37	17
Administrative Costs Water Supply Bond Act of 1981 – Watershed and Aquifer	—	60	104
Aeroflex Foundation – Kittatinny Valley State Park	—	25	25
Air Pollution Control	—	660	2,930
Battleship New Jersey Memorial Fund	205	200	200
Battleship New Jersey Tax Check-Off	67	50	50
Coalition of Northeast Governors	—	30	30
Comprehensive Wildlife Conservation Strategic Plan for Hackensack Meadowlands	240	—	—
Council of State Governments of USAEP Water Quality Grant	46	—	—
Diesel Exhaust Emissions Program	—	719	1,252
Drinking Water State Revolving Fund – Capacity Development	245	500	500
Drinking Water State Revolving Fund – Delineation and Assessments	443	—	—
Drinking Water State Revolving Fund – Operator Certification	256	500	500
Drinking Water State Revolving Fund – Program Administration	731	1,000	800
Drinking Water State Revolving Fund – Small System Technical Assistance	343	700	700
Drinking Water State Revolving Fund – Source Water Program Administration	307	800	800
Endangered and Nongame Species of Wildlife Fund	260	200	200
Environmental Infrastructure Trust Loan Fund	—	—	1,200
Exotic and Nongame Species Inspection Fund	163	132	132
Farley Marina Escrow	278	257	257
Fish and Wildlife Field Office Projects	2	4	2
Forest Resource Management Special Revenue	251	450	472
Garden State Preservation Trust	—	205	364
Hazardous Discharge Site Cleanup Fund – Responsible Party	—	9,362	9,852
Historic Preservation Fund	120	120	120
Land Use Regulation	—	—	2,914
Landscape Irrigation Contractor Certification	140	51	50
Liberty State Park – Central Parking	303	325	329
Liberty State Park License Plates	73	70	70
Low Emission Vehicle Program	—	—	125
Mammography Quality Standards Act	274	300	306
Marina Rentals	—	238	240
New Jersey Waterfowl Stamp Act	207	100	100
Nuclear Emergency Response	—	—	1,201
Office of Dredging and Sediment Technology	—	247	251
Oil Spill Prevention	—	1,248	1,490
PSE&G Delaware River Striped Bass Recruitment Study	31	22	31
Palisades Interstate Park Commission (PIPC) – Court Fund Revenue	—	502	577
Palisades Interstate Park Commission (PIPC) – Gas Station Revenue	—	2,403	2,503
Palisades Interstate Park Commission (PIPC) – Operating Fund Revenue	—	1,150	930
Parks Management Fees	—	1,200	1,400

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Parks Management Revolving Fund	1,091	1,000	1,000
Private Well Testing – Safe Drinking Water Fund	531	800	800
Remediation Management and Response	—	6,539	6,854
Sedge Island	21	15	20
Shaw Farm Wetlands Mitigation	54	—	—
Shellfish Enforcement	128	129	129
Shellfish Management	70	60	60
Shore Protection Fund Projects	910	6,250	5,000
Shore Protection License Plates	1,024	1,000	1,000
Solid Waste Utility Regulation Excess Receipts	—	1,300	1,300
Spring Meadow Golf Course	980	1,000	1,000
State Public Water System Supervision Program	580	900	1,100
State Revolving Fund – Administrative Costs	2,497	1,761	1,280
Teterboro Airport Air Quality Study	300	—	—
Tidelands Peak Demands	—	2,495	2,889
UMDNJ Radiation Preparedness	110	70	100
Urban Forest Energy Efficiency Initiative	—	5,000	4,995
Water Allocation	—	4,225	3,273
Water Pollution Control	—	1,400	1,900
Worker and Community Right to Know Act	—	245	316
Miscellaneous	1,262	1,010	1,021
	14,543	61,712	68,091
Department of Health and Senior Services:			
AIDS Drug Distribution Program Copay	—	—	200
AIDS Drug Distribution Program Rebates	18,872	22,600	22,600
Administrative Overhead – Non State Program	1,378	1,300	1,300
Animal Population Control Program – License	271	300	300
Brain Injury Research Fund	3,882	3,600	3,600
Certificate of Need Program	2,006	537	537
Clinical Laboratory Improvement Services	326	330	350
Early Intervention Program (EIP) Copays	33	3,500	7,000
Electronic Death Registration Support Fund	481	600	600
Emergency Medical Services	56	79	79
Emergency Medical Services for Children	—	—	150
Emergency Medical Technician Training Fund	95	1,800	1,800
Estrogen, Diet, Genetics, and Endometrial Cancer	72	110	100
Evaluation of California Initiatives to Reduce Violence in Health Care Setting	54	105	195
First Response Emergency Medical Technician Cardiac Training Program	82	125	125
Health Care Cost Reduction Fund	21,007	32,599	40,000
Health Care Planning	2,920	7,200	7,000
Live Long Live Well	107	150	150
Managed Care Oversight	200	—	—
Medical Emergency Disaster Preparedness for Bioterrorism	—	4,722	4,722
New Jersey Emergency Medical Services Helicopter Response Program	—	2,764	2,858
New Jersey Turnpike Authority / Garden State Parkway Food Inspections	133	228	237
Newborn Screening, Follow-up, and Treatment	3,790	3,306	3,306
Nursing Home Provider Assessment Fee	135,374	135,374	135,374
Office of the Public Guardian	781	600	800
Ovarian Cancer Study	31	82	82
Rabies Control Program	467	465	475
Women, Infants, and Children (WIC) Rebates	27,093	24,000	30,000
Worker and Community Right to Know	—	—	699
Miscellaneous	6,351	9,443	9,238
	225,862	255,919	273,877
Department of Human Services:			
Address Violence Against Women With Disabilities Grant	50	—	—
Administration and Support Services	17,118	6,200	5,819
Alcohol Education Rehabilitation and Enforcement Fund	1,765	1,750	2,344
Alcohol Treatment Fund Program	6,000	6,000	7,500
Catastrophic Illness in Children Relief Fund	1,208	925	1,041
Children's Trust Fund	253	519	519
Client Copayments – Developmental Disabilities	38,504	38,630	38,630
Drug Enforcement Demand Reduction Fund	—	350	350
Education Therapy Building	117	—	—
Hospital Provider Assessment Fee	—	—	430,000

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Licensing Fees	207	—	—
Management and Administrative Services	—	475	475
Mental Health Contract Fees	302	316	316
NJ Family Care	52,691	56,911	72,806
New Jersey Health Care Hospital Payments	595,574	595,691	545,961
Olmstead Grant	20	—	—
Partnership for a Drug Free New Jersey	—	1,000	1,000
Personal Needs Allowance	—	600	600
Racing Commission Funds for Compulsive Gambling Treatment	—	200	200
SSA Reimbursement to Enhance Vocational Rehabilitation	835	300	300
Traumatic Brain Injury	3,808	—	—
Universal Services Fund	844	—	—
Work First New Jersey Support Services	—	10,000	—
Work First New Jersey Technology Investment – Child Support Incentives	—	12,502	12,502
Miscellaneous	116	—	85
	719,412	732,639	1,120,448
Department of Labor and Workforce Development:			
Construction Trades Trng Program – Women & Minorities	1,961	—	—
Division of Workers Compensation Uninsured Employers	974	—	—
Enforcement of Workplace Standards – Receipts	—	5,234	5,234
Health Care Tax Collection	5,258	5,700	—
Private Disability Insurance Plan	—	1,000	1,000
Public Works Contractor Registration	—	1,756	1,756
Reimbursement to Unemployment Insurance for Joint Tax Functions	—	2,700	4,700
Special Compensation Fund	141,316	126,530	126,530
State Disability Insurance Plan	—	3,850	3,850
Urban Enterprise Zones – Employer Rebate Awards	108	—	—
Work First New Jersey Work Activities	—	25,500	25,500
Workers' Compensation	—	6,700	6,700
Workforce Development Partnership – Counselors	—	770	770
Workforce Development Partnership Program	—	1,384	1,384
Workforce Literacy and Basic Skills Program	—	276	276
Miscellaneous	30	—	—
	149,647	181,400	177,700
Department of Law and Public Safety:			
Anti-Drug Profiteering	6	—	—
Atlantic County Detention Center	1,890	1,962	2,210
Backstretch Benevolence	164	210	210
Body Armor Replacement Fund – Administrative Costs	75	75	75
Charity Racing Day for the Developmentally Disabled	77	—	—
Claims – Victims of Crime	—	3,870	3,870
Commercial Vehicle Enforcement Program	—	8,500	10,287
Commissions Award Program	1,968	2,500	2,500
Consumer Affairs	250	300	300
Consumer Affairs Charitable Registrations Program	—	813	680
Consumer Affairs Legalized Games of Chance	—	100	100
Consumer Affairs Weights and Measures Program	—	1,200	1,200
Controlled Dangerous Substance Registration Program	—	700	700
Criminal Disposition and Revenue Collection Fund	—	375	375
Criminal Justice Cost Recovery	—	243	162
Department of Transportation – State Police Construction Detail	—	6,353	6,978
Division of Consumer Affairs – Appropriated Receipts	—	5,748	5,748
Drunk Driving Enforcement Fund – MVC Reimbursement	100	—	—
Election Law Enforcement	22	365	365
FBI Mitochondrial DNA Testing	593	810	861
Fines Account – Miscellaneous Settlements	235	80	80
Forfeiture Program	3,085	2,255	2,655
Gubernatorial Public Finance Program	466	—	—
Insurance Fraud Operations	27,750	29,771	29,771
Investigative Unit	581	650	706
Juvenile Detention Alternatives – Annie E. Casey Foundation	200	—	—
Law Enforcement Officers Training and Equipment Fund	728	—	—
Medical Examiner Services	7,672	8,624	9,055
New Jersey Emergency Medical Service Helicopter Program	—	5,495	5,691
New Jersey Expressway Authority	5,413	6,432	7,411

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Parkway Authority	24,505	26,047	30,825
New Jersey Turnpike Authority	24,215	24,842	30,917
Noncriminal Records Checks	—	11,879	14,101
Northeast Hazardous Waste Project—Resource Conservation and Recovery Act	157	274	274
Office of Counter Terrorism	—	7,200	7,200
Pari—Mutuel Racing in Accordance with N.J.S.A. 5:5—37	647	738	757
Pre—Race Blood Testing and Chemical Testing Program	3,096	3,317	3,458
Private Employment Agencies	—	420	420
Racing Officials	936	1,193	1,225
Regional Computer Forensic Laboratory	1,625	—	—
Regulation of Alcoholic Beverages	—	5,615	5,615
Regulation of Racing Activities	3,343	3,694	4,047
Retired Officers Handgun Permits	—	140	215
Safe and Secure Neighborhoods Program	7,539	7,100	7,100
Securities Enforcement Fund	—	8,567	8,567
Sexual Assault Nurse Examiner Program	63	—	—
State Athletic Control	693	500	500
State Facilities Education Act	29,283	36,013	38,447
State Forensic Laboratory Fund Program	963	800	800
State Police Central Lab Operations	—	934	986
State Police DNA Laboratory Enhancement	7,296	8,200	8,200
State Police Equine Lab Unit	—	1,362	1,426
State Police Private Detective Receipts	—	230	230
State Police Recruit Training	—	77	77
State Veterinarians New Jersey Racing Commission	702	686	902
Vehicle Rental Surcharge State Police Salaries	—	13,855	13,855
Victim and Witness Advocacy Fund	—	1,344	1,252
Miscellaneous	2,410	2,316	2,476
	<u>158,748</u>	<u>254,774</u>	<u>275,862</u>
Department of Military and Veterans' Affairs:			
Burial Services	—	595	500
Distance Learning Center	2	15	15
Document Storage and Retrieval	116	—	—
New Jersey National Guard Support Services	—	1,100	1,100
Transitional Housing	—	550	550
World War II Memorial Dedications	24	—	—
Miscellaneous	33	25	25
	<u>175</u>	<u>2,285</u>	<u>2,190</u>
Department of Personnel:			
Human Resource Development Institute	—	2,000	1,900
State and Local Government Operations	—	1,300	1,300
	<u>—</u>	<u>3,300</u>	<u>3,200</u>
Department of the Public Advocate:			
New Home Owner's Warranty	242	251	251
Residential Warranty Corporation	119	158	158
	<u>361</u>	<u>409</u>	<u>409</u>
Department of State:			
Americorps – Homeland Security Match	1	—	—
Americorps – Promise Fellows Match	17	—	—
Extraordinary Programming	300	400	400
Law Enforcement Officers Memorial Fund	311	325	325
Leasing of Space on NJN Transmitter Towers	954	980	1,050
NJN – Cablevision Rental	185	—	—
NJN – TV Food Network/Time Warner Capital Project	1,346	1,200	1,200
New Jersey College Loans to Assist State Students (NJCLASS)	5,474	5,915	6,505
New Jersey Workforce Development Coalition Initiative	719	1,250	621
Office of Faith Based Initiatives – Substance Abuse & Mental Health Services	13	—	—
Office of Faith Based Initiatives Donations	15	—	—
Primary Care Physician/Dentist Loan Redemption Program	1,000	2,000	2,000
Public Broadcasting Services	8,335	7,641	7,999
Rental of NJN Studio and Production Facilities	1,949	1,975	2,050
Sale or Rental of NJN Productions	92	100	100

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
War Memorial	601	527	527
Miscellaneous	514	330	339
	21,826	22,643	23,116
Department of Transportation:			
Applications and Highway Permits	—	1,500	1,500
Commercial Vehicle Enforcement Program	12,309	—	—
Cost of "Cause" Plates	96	—	—
County and Other Shared Projects	9,806	—	—
Greenwood Lake Airport	50	—	—
Highway Safety Fund	1,824	—	—
In-Terminal School Bus Inspection Program	1,239	1,225	1,250
Logo Sign Program	—	200	200
Maritime Industry Fund	2,369	—	—
Motor Vehicle Services	195,980	194,833	198,663
Motorbus Regulation	728	745	750
Motorcycle Safety Education Fund	307	389	538
NJ Board of Pilot Commissioners	481	481	481
NJ Medical Service Helicopter Response Act	7,613	—	—
New Jersey Motor Vehicle Commission New Revenues	65,341	65,744	62,813
Office of Maritime Resources	—	2,500	2,500
Outdoor Advertising Program	—	880	880
Placarded Railcar Program	—	80	50
Rental Receipts, Tenant Relocation Program	—	350	350
Security Responsibility	13,464	13,765	13,800
Wireless Communication	1,180	—	—
	312,787	282,692	283,775
Department of the Treasury:			
Administration of State Lottery	—	60	60
Annual Licensing Fee – Office of Administrative Law Publications	867	656	633
Business Services Bureau	—	560	560
Capital City Redevelopment Corporation	80	378	378
Clean Energy Program	—	820	820
Confiscations from the Cigarette Tax Act	—	20	20
Division of Developmental Disabilities Community Placement and Services	33,405	32,000	32,000
Domestic Security	23,957	23,500	18,500
Economic Recovery Fund	17,605	17,606	19,608
Energy Tax Receipts	787,739	788,492	788,492
Governor's Council on Alcoholism and Drug Abuse	14,411	14,700	14,700
Judicial Hearings Receipts	2,865	3,667	3,844
Management of DEP Properties	—	563	589
New Jersey Geographic Information Network (NJGIN) Property Investigator	5	—	—
New Jersey Public Records Preservation	25,673	28,000	1,000
Office of Management and Budget	18,582	8,950	8,980
Ombudsman	—	350	380
Other Capital Building Services	2,370	2,327	2,327
Other Distributed Taxes	3,191	3,363	3,363
Pensions and Benefits	—	—	33,257
Prequalification Fees	—	107	107
Property Management and Construction – Property Management Services	295	310	310
Public Finance Activities	—	700	700
Purchasing and Inventory Management	—	55	10
Real Property Leasing Out Program	—	350	377
Royalties – Office of Administrative Law Publications	186	40	270
Small Business Registration	—	430	450
State Pension System Audit	—	—	225
Taxation Compliance and Enforcement Activities	—	4,000	4,000
Third Party Subrogation – Property Damage	—	500	500
Unclaimed Property Trust Fund	6,635	6,861	6,920
Urban Enterprise Zone (UEZ) Authority Administrative Expenses	2,128	3,007	3,310
Vendor Surcharge Collection – Motor Vehicle Commission	11,705	12,000	12,000
Miscellaneous	846	811	820
	952,545	955,183	959,510

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Judicial Branch—			
The Judiciary:			
Automated Traffic System for Municipal Courts	17,856	23,100	21,000
Civil Courts	500	540	756
Comprehensive Enforcement Program	2,393	2,300	2,400
Court Adult Probation System	484	500	500
Court Technology Improvement Fund	12,315	12,900	12,700
Electronic Access To Court Records	1,342	408	408
Family Court Probation Liaison JAIBG	165	—	—
Family Courts	400	400	400
Girl Talk JAIBG	2	—	—
Information Services	403	516	516
JAIBG – Juvenile Assessment	62	—	—
JAIBG Essex– Substance Abuse Evaluator Program	39	—	—
JAIBG School Probation	58	—	—
Juvenile Accountability Incentive Block Grant (JAIBG)	29	—	—
License Reinstatement	50	—	—
Middlesex Vicinage Bar Foundation Artwork	5	—	—
Newark Alliance for Compliance JAIBG	65	—	—
Robert Wood Johnson Family Drug Court Grant	72	—	—
Service Learning Program–JAIBG Ocean County	10	—	—
Special Civil Part Certified Mailers	1,535	1,450	1,450
State Incentive Program	63	—	—
State Incentive Program – Juvenile Justice Commission	200	—	—
Supreme Court	11,880	13,665	14,747
Miscellaneous	532	13	6
	<u>50,460</u>	<u>55,792</u>	<u>54,883</u>
<i>Total Dedicated</i>	<u>2,778,753</u>	<u>3,018,172</u>	<u>3,460,202</u>
Federal:			
Executive Branch—			
Department of Agriculture:			
Child Care	46,814	56,865	62,073
Child Nutrition – School Breakfast	28,902	40,000	46,200
Child Nutrition – School Lunch	128,907	158,050	174,300
Child Nutrition – Special Milk	1,044	1,500	1,600
Child Nutrition – Summer Programs	6,775	10,017	10,347
Child Nutrition Administration	2,716	3,677	4,085
Cooperative Gypsy Moth Suppression	25	75	750
Farm Risk Management Education Program	271	301	272
Farmland Preservation	2,301	12,301	9,429
Federal Organic Certification Cost Share Program	8	30	15
Fish Inspection Service	137	160	125
Food Stamp – Temporary Emergency Food Assistance Program (TEFAP)	1,221	1,278	1,425
National Animal Identification Infrastructure	—	—	92
Team Nutrition Training	—	225	225
Various Federal Programs and Accruals	13,837	2,133	2,600
	<u>232,958</u>	<u>286,612</u>	<u>313,538</u>
Department of Children and Families:			
Restricted Federal Grants	9,797	10,107	10,107
Social Services Block Grant	50,241	51,529	51,529
Title IV–B Child Welfare Services	9,072	5,500	5,500
Title IV–E Foster Care	85,975	150,612	135,017
Title XIX Child Residential	42,699	77,983	82,560
	<u>197,784</u>	<u>295,731</u>	<u>284,713</u>
Department of Community Affairs:			
Community Services Block Grant	16,426	17,185	17,023
Emergency Shelter Grants Program	1,053	1,565	1,520
Fair Housing Initiatives Grant	60	85	93
Lead–Based Paint Abatement in Low and Moderate Income Housing	271	3,000	3,000
Moderate Rehabilitation Housing Assistance	16,936	12,595	12,162
National Affordable Housing – HOME Investment Partnerships	7,957	8,261	7,890

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
National Fire Academy Training Program	12	28	28
Section 8 Housing Voucher Program	167,508	173,200	173,200
Shelter Plus Care Program	616	4,500	4,500
Small Cities Block Grant Program	8,269	9,000	8,206
Transitional Housing – Homeless	79	—	136
Weatherization Assistance Program	5,344	5,169	5,126
Various Federal Programs and Accruals	-8,754	86	86
	215,777	234,674	232,970
Department of Corrections:			
Body Alarms Justice Technology Grant	—	500	500
Crime Prevention Funding	—	300	300
National Institute of Justice	—	—	35
National Institute of Justice Grant for Corrections Research	—	100	100
Prison Rape Elimination Grant	—	452	—
Project In-Side	637	602	624
Serious and Violent Offender Reentry Initiative	503	1,000	—
State Criminal Alien Assistance Program	4,062	5,000	5,000
Various Federal Programs and Accruals	152	50	50
	5,354	8,004	6,609
Department of Education:			
21st Century Schools	15,245	19,898	19,898
AIDS Prevention Education	258	243	243
Adult Basic Education – Administration/Discretionary	673	—	—
Bilingual and Compensatory Education – Homeless Children and Youth	1,402	1,290	1,290
Byrd Scholarship Program	1,123	1,200	1,200
Character Education Partnership	391	539	539
Drug-Free Schools and Communities – Administration	1,318	2,092	1,650
Drug-Free Schools and Communities – Discretionary	7,974	8,329	6,600
Enhancing Education Thru Technology	16,526	9,756	5,381
Even Start Family Literacy Grant – Discretionary	4,361	4,142	2,071
Grants Management	—	2,458	2,339
Improving America’s Schools Act – Consolidated Administration	5,560	5,106	4,600
Individuals with Disabilities Education Act Basic State Grant	325,528	334,650	333,206
Individuals with Disabilities Education Act Preschool Grants	12,475	11,478	11,529
Language Acquisition State Grants	15,511	20,204	21,530
Mathematics and Science Partnerships Grants	1,338	3,013	3,013
Migrant Education – Administration/Discretionary	2,358	2,117	2,117
Public Charter Schools	1,291	6,010	6,010
Refugee Children School Impact Program	864	—	—
School Renovation Grants	2,097	—	—
State Assessments	10,068	9,945	9,945
State Data Grants	49	480	480
State Grants for Improving Teacher Quality	68,801	65,255	64,447
State Improvement Grant, Administration	1,160	1,273	1,273
Step Up – Teacher Recruitment	—	1,098	1,098
Title I – Comprehensive School Reform	4,655	4,360	—
Title I – Grants to Local Educational Agencies	266,076	271,610	263,753
Title I – Part D, Neglected and Delinquent	2,278	2,548	2,713
Title I – Reading First State Grant	18,687	18,065	18,065
Title V – Innovative Program Strategies	8,305	5,550	2,859
Vocational Education – Basic Grants, Administration	23,409	24,735	23,903
Vocational Education Technical Preparation	2,131	2,263	2,263
Various Federal Programs and Accruals	2,940	1,365	1,365
	824,852	841,072	815,380
Department of Environmental Protection:			
Air Pollution Maintenance Program	8,398	5,218	9,967
Americorps	—	300	325
Artificial Reef Program – PSE&G/NJPDES Permit Fees	596	825	825
Asian Longhorned Beetle Project	69	2,300	2,300
Assessing New Jersey’s Bays	—	—	100
Assistance to Firefighters – Wildfire and Arson Prevention	—	—	200
Asthma Outreach and Education Initiative – Camden	—	—	15
Atlantic Coastal Cooperative Program	58	200	200
BioWatch Monitoring	247	170	200

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Boat Access (Fish and Wildlife)	—	1,000	1,000
Brownfields	1,094	2,000	1,000
Cape May Peninsula Project (Sandritter Property)	—	1,000	—
Cheesequake Marshland Acquisition	—	1,000	—
Clean Lakes Program	—	500	500
Clean Vessels	161	1,000	1,000
Coastal Estuarine Land Program	—	6,000	6,000
Coastal Zone Management Implementation	2,735	2,722	3,400
Community Assistance Program	196	200	200
Community and Public Water Supply Operators – Expense Reimbursement	58	—	—
Comprehensive Wildfire Conservation Plan Coordination Federal Share	48	—	—
Consolidated Forest Management	—	1,070	1,070
Construction Grants Program	—	57,600	44,035
Data Exchange – Water Quality Monitoring	—	188	—
Defensible Space	60	400	400
Delaware Bay and Great Egg Harbor Corridor Project (SV Farming) Federal Share	109	1,000	—
Domestic Preparedness – Supplemental Training	—	80	200
Endangered Species	45	205	125
Endangered and Nongame Species Program State Wildlife Grants	261	1,500	1,500
Environmental Justice	—	100	—
Estuary Program	547	—	—
Firewise in the Pines	—	200	200
Fish and Wildlife Health	50	100	100
Forest Legacy	3,177	10,040	10,040
Forest Resource Management – Cooperative Forest Fire Control	172	1,725	1,725
Grassland Habitat Project	71	200	200
Hazardous Waste – Resource Conservation Recovery Act	6,520	4,281	4,895
Historic Preservation Survey & Planning	723	950	950
Hunters' and Anglers' License Fund	4,170	5,925	5,925
Investigation and Management of Nongame Freshwater Fisheries Resources	18	150	150
Land and Water Conservation Fund	—	5,000	5,000
Lower Cohansey Watershed	—	1,000	1,000
Marine Fisheries Investigation and Management	1,039	1,150	1,150
Multimedia	1,089	750	750
Multimedia Enforcement Grant	157	1,000	1,000
NJ Field Office Bog Turtle Cooperative Agreement	—	50	50
NJ Landowner Incentive	97	1,450	180
NJ Landowner Incentive Program – Tier 2 (5 Yr. Projects)	—	—	200
NJ Landowner Incentive Program – Tier 2 (10 Yr. Projects)	—	—	1,200
NJ Landowner Incentive Program – Tier 2 (2 Yr. Projects)	—	—	300
NJDEP Air Toxics	72	—	—
National Coastal Wetlands Conservation	9	2,215	2,215
National Dam Safety Program (FEMA)	20	90	90
National Geologic Mapping Program	118	200	200
National Pollutant Discharge Elimination System Implementation Support Program	837	600	600
National Recreational Trails	362	1,500	1,500
New Jersey Commercial Blue Crab Fishery Economic Assistance Federal Share	218	—	—
Non-Point Source Implementation (319H)	6,985	3,851	4,000
Northern Bobwhite Evaluation in New Jersey	—	73	125
Particulate Monitoring Grant	635	1,499	1,500
Pesticide Recording Program	21	20	20
Pesticide Technology	889	670	670
Pinelands Grant – Acquisition	—	6,000	6,000
Preliminary Assessments/Site Inspections	2,174	3,000	1,500
Radon Program	643	500	500
Rare Wildlife Strategy Implementation	—	20	—
Regional Climate and Fire Damage Modeling – Pinelands	87	—	—
Regional Environmental Monitoring and Assessment Program Benthik Indicators	—	—	400
Safe Drinking Water Act	3,695	22,200	22,200
Shortnose Sturgeon Research	—	150	150
Southern New Jersey Drinking Water Sampling Project	45	50	50
Southern Pine Beetle	19	100	100
State Recreational Trails	231	11,980	11,505
State Wetlands Conservation Plan	115	492	1,017
State Wildlife Grant Projects	—	1,500	1,500
State and EPA Data Management Grant	371	2,112	2,300
Superfund Grants	7,552	30,450	30,450
Training for Publicly Owned Treatment Works	10	—	—

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
US Army Corps of Engineers Beachnesters	—	80	80
Underground Storage Tanks	2,797	2,055	2,055
Urban History Initiative	—	59	—
Voluntary Cleanup Program	862	—	—
Voluntary Cleanup Site Specific	121	—	—
Water Monitoring and Planning	375	547	547
Water Pollution Control Program	6,600	4,025	4,025
Wildland and Urban Interface II	—	500	100
Wildlife Education	—	285	285
Wildlife Management Area Planning	215	300	300
Various Federal Programs and Accruals	-17,927	3,305	2,900
	50,116	220,977	208,461
Department of Health and Senior Services:			
Abstinence Education – Family Health Services (FHS)	995	1,122	1,122
Asthma Surveillance and Coalition Building	309	356	457
Asthma and Hazardous Substances Applied Research	95	108	108
Bioterrorism Hospital Emergency Preparedness	4,370	13,600	13,600
Birth Defects Surveillance Program	76	250	250
Childhood Lead Poisoning	979	1,400	1,400
Chronic Disease Prevention and Health Promotion – Family Health Services	1,544	1,011	1,011
Chronic Disease Prevention and Health Promotion Programs – Public Health	—	1,525	1,912
Clinical Laboratory Improvement Amendments Program	528	526	450
Comprehensive AIDS Resources Grant	38,070	50,400	55,000
Core Injury Prevention and Control Program	—	200	280
Demonstration Program to Conduct Health Assessments	594	634	600
Early Hearing Detection and Intervention (EHDI) Tracking, Research	164	334	334
Early Intervention for Infants and Toddlers with Disabilities (Part H)	11,161	13,000	13,000
Eliminating Disparities in Perinatal Health	379	3,430	500
Emergency Medical Services for Children (EMSC) Partnership Grants	49	100	115
Emergency Preparedness For Bioterrorism	28,620	29,970	32,125
Exposure – Tremolite Asbestos – Vermiculite	163	220	115
Family Planning Program – Title X	3,076	4,200	4,200
Federal Lead Abatement Program	365	461	467
Food Inspection	297	387	427
HIV/AIDS Prevention and Education Grant	13,649	18,000	17,999
HIV/AIDS Surveillance Grant	4,147	4,812	4,713
Housing Opportunities For Persons With AIDS	221	3,263	2,828
Housing Opportunities for Incarcerated Persons with AIDS	—	—	1,763
Immunization Project	4,817	8,810	7,727
Lead Training and Certification Enforcement Program	21	85	81
Maternal and Child Health (MCH) Early Childhood Comprehensive System	112	100	140
Maternal and Child Health Block Grant	15,002	13,000	13,000
Medicare/Medicaid Inspections of Nursing Facilities	9,629	16,660	16,660
Memorandum of Agreement with Emory University–National Down Syndrome Study	—	150	—
Minority AIDS Demo	—	150	150
Morbidity and Mortality Review Program	21	150	150
Morbidity and Risk Behavior Surveillance	294	750	553
National Cancer Prevention and Control – Public Health	3,893	6,574	6,574
National Family Caregiver Program	4,524	4,800	5,200
New Jersey Ease for Caregivers – Building Support Systems	208	250	250
Nurse Aide Certification Program	—	1,000	1,000
Nursing Facilities Transition Grant	276	600	600
Older Americans Act – Title III	25,952	33,450	34,480
Pediatric AIDS Health Care Demonstration Project	2,435	2,850	2,850
Pregnancy Risk Assessment Monitoring System	335	750	750
Preventative Health and Health Services Block Grant	3,847	3,975	3,983
Public Employees Occupational Safety and Health – State Plan	—	—	900
Rape Prevention and Education Program	1,261	1,237	1,234
Research on Ecology of Lyme Disease in US	169	325	325
Senior Farmers Market Nutrition Program	596	1,000	1,000
State Pharmacy Assistance Program Payments – Federally Funded Grant	2,890	11,366	3,842
Supplemental Food Program – Women, Infants, and Children	89,576	94,000	100,000
Surveillance, Epidemiology and End Results (SEER)	681	1,800	1,201
Traumatic Brain Injury Surveillance	230	105	105
Tuberculosis Control Program	5,643	6,000	6,000
United States Department of Agriculture (USDA) Older Americans Act – Title III	3,364	3,900	3,900

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Universal Newborn Hearing Screening	309	250	250
Venereal Disease Project	3,784	3,882	3,882
Violence Related Injury Prevention	—	160	160
Vital Statistics Component	648	850	850
WIC Farmer's Market Nutrition Program	1,158	2,000	2,369
West Nile Virus – Laboratory	—	242	190
West Nile Virus – Public Health	1,734	2,258	2,060
Various Federal Programs and Accruals	150,397	5,085	5,451
	<u>443,657</u>	<u>377,873</u>	<u>382,643</u>
Department of Human Services:			
Access to Recovery	1,426	4,049	4,049
Block Grant Mental Health Services	14,365	12,227	12,227
Child Care Block Grant	102,773	109,778	119,250
Child Support Enforcement Program	174,230	173,677	168,455
Community Based Residential Program Grant	567	1,000	1,000
Developmental Disabilities Council	1,587	1,598	1,598
Federal Independent Living	980	1,153	1,153
Food Stamp Program	78,782	99,022	102,842
Foster Grandparents Program	726	1,080	1,127
Low Income Energy Assistance Block Grant	64,690	84,514	112,991
Projects for Assistance in Transition from Homelessness (PATH)	1,719	1,745	1,944
Refugee Resettlement Program	2,700	5,705	5,705
State Data Infrastructure Project	98	—	—
Substance Abuse Block Grant	48,178	53,606	51,882
Temporary Assistance to Needy Families Block Grant	531,298	437,021	462,186
Title XIX Community Care Waiver	230,744	262,235	268,654
Title XIX ICF/MR	279,053	282,111	314,562
Title XIX Medical Assistance	3,172,512	3,600,285	3,570,063
Title XX Urban Empowerment Zone	821	—	—
Title XXI Children's Health Insurance Program	201,979	205,019	231,645
Vocational Rehabilitation Act, Section 120	11,137	10,961	10,961
Various Federal Programs and Accruals	-118,014	7,784	8,510
	<u>4,802,351</u>	<u>5,354,970</u>	<u>5,450,804</u>
Department of Labor and Workforce Development:			
Adult and Continuing Education – Workforce Investment Act	14,388	18,343	18,121
Comprehensive Services for Independent Living	746	1,012	1,012
Current Employment Statistics	2,254	2,764	2,764
Disability Determination Services	35,606	48,000	49,176
Disabled Veterans' Outreach Program	2,399	2,500	2,658
Employment Services	16,806	22,930	25,902
Employment Services – One-Stop Shopping	180	325	325
Employment Services Cost Reimbursable Grants – Migrant Housing	32	50	50
Employment Services Grants – Alien Labor Certification	1,274	2,321	2,403
Employment Services Reemployment Services	689	1,100	1,100
Federal Public Employees Occupational Safety and Health Act	2,095	1,900	1,942
Local Veterans' Employment Representatives	1,625	1,700	1,770
National Council on Aging – Senior Community Services Employment Project	2,290	3,000	3,014
Occupational Informational Coordinating Program	131	159	175
Occupational Safety Health Act – On-Site Consultation	1,998	2,002	2,103
Occupational Safety and Health Administration Data Collection Survey	33	74	74
Old Age and Survivor Insurance Disability Determination Services	—	1,000	1,000
One Stop Labor Market Information	1,124	940	940
Redesigned Occupational Safety and Health (ROSH)	182	233	233
Rehabilitation of Supplemental Security Income Beneficiaries	225	2,000	2,000
Supported Employment	808	975	975
Technical Assistance Training	122	1,700	1,700
Technology Related Assistance Project	365	350	350
Trade Adjustment Assistance Project	1,521	4,000	4,121
Unemployment Insurance	105,073	135,500	119,916
Vocational Rehabilitation Act of 1973	49,030	45,325	46,556
Work Incentive – Project Access	548	700	700
Work Opportunity Tax Credit	445	750	750
Workforce Investment Act	79,310	79,947	80,154

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Workforce Investment Act Title IIID Discretionary Funding	382	4,000	4,000
Various Federal Programs and Accruals	23,130	245	251
	344,811	385,845	376,235
Department of Law and Public Safety:			
Anti Trafficking Task Force	—	600	600
April 2005 Flood Disaster Relief	150	—	—
Buffer Zone Protection	—	1,400	2,731
Bulletproof Vest Partnership	663	800	800
Bureau of Justice State Police Communications Grant	17,928	—	—
Burlington/Camden County Flood 2004 – Public Assistance	2,784	—	—
Casework DNA Backlog Reduction Program	80	1,300	1,300
Challenge Grant	374	300	326
Child Passenger Protection Education	70	500	500
Child Safety/Child Booster Seats	—	750	750
Combating Underage Drinking	303	360	360
Community Emergency Response Team Program	383	550	—
Community Oriented Policing Services (COPS) – Homeland Security Overtime	876	—	—
Community Oriented Policing Services (COPS) – In Schools	285	—	—
Convicted Offender In–House (DNA)	—	1,500	1,000
Criminal Justice Information System Master Plan Study	350	—	—
Criminal Justice Victims of Crime Act 9/11 Attack on America	2,408	—	—
Crisis Counseling Immediate Services	44	—	—
Declared Counties For New Jersey Power Outage	39	—	—
Delaware Flood / Hurricane Ivan – Crisis Counseling	37	—	—
Delaware Flood/Hurricane Ivan	2,135	—	—
Distance Learning Law Enforcement Training Initiative	325	—	—
Domestic Marijuana Eradication Suppression Program	—	200	89
Domestic Preparedness Equipment Grant	11,209	—	—
Domestic Preparedness Training	6,817	—	—
Drunk Driver Prevention	42	—	—
EOC Physical Modifications For Secure Communications	55	—	—
Edward Byrne Memorial Grant	11,086	—	—
Emergency Management Performance Grant – Non Terrorism	3,561	4,500	4,500
Equal Employment Opportunity Commission	793	600	600
FEMA Pre–Disaster Mitigation Grant	—	300	300
Financial Investigations & Money Laundering Initiative	—	5,000	5,000
Flood Mitigation Assistance	25	946	750
Forensic Crime Laboratory Improvement Program	—	2,000	1,000
Forensic DNA Testing Program	—	1,000	1,000
Grants To Encourage Arrest Polices and Enforcement of Protection Orders	191	500	—
Hazardous Materials Transportation	—	350	451
Help America Vote Act	68,067	2,210	2,210
High Intensity Drug Trafficking Area (HIDTA)	—	50	50
High Visibility Enforcement	—	750	750
Highway Safety Data Improvement Grant	—	1,500	1,500
Highway Traffic Safety	3,438	6,775	6,952
Housing and Urban Development	—	115	115
Incident Command	—	750	833
Innovative Seat Belt Use	1,512	3,000	3,000
Internet Crimes Against Children	116	300	390
Justice Assistance Grant (JAG)	—	10,500	10,500
Juvenile Accountability Incentive Block Grant – JAIBG	3,169	1,200	1,200
Juvenile Justice Delinquency Prevention	2,181	2,476	2,336
Law Enforcement Training Academy	107	—	—
Local Law Enforcement Block Grant	702	1,400	—
Marine Police Boat	494	—	—
Medicaid Fraud Unit	2,328	3,315	3,315
Motorcycle Safety	—	500	500
National Criminal History Program – Office of the Attorney General	—	2,000	2,000
National Forensic Sciences Improvement Act Program	—	400	198
New Jersey Anti–Money Laundering Initiative	293	750	—
Northeast Hazardous Waste Project–Resource Conservation and Recovery Act	150	250	250
Occupant Protection Grant	1,492	1,965	1,965
Pre–Disaster Mitigation – Competitive	—	2,056	2,000
Pre–Disaster Mitigation Grant–FEMA	16	—	—
Primary Safety Belt Use Law	—	3,000	3,000

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Protecting Our Urban Areas	19,099	25,000	19,353
Recreational Boating Safety	408	2,000	2,440
Residential Treatment for Substance Abuse	514	1,600	1,600
Safety Incentive Grants	940	5,000	5,000
Section 163 Prevent Operations of Motor Vehicles By Intoxicated Persons	126	3,000	3,000
State Homeland Security Grant Program	9,376	36,785	7,239
State Police In-Car Camera Technology Grant	190	—	—
State Traffic Safety Information System	—	1,500	1,500
Title V Funding	235	1,500	1,500
Truth In Sentencing Incentive Grant	11,505	—	—
Victim Assistance Grants	19,481	12,000	12,000
Victim Compensation Award	4,707	7,000	7,000
Victims of Crime Act Compensation for 9/11 Attack	433	—	—
Violence Against Women Act	5,125	4,000	4,000
Various Federal Programs and Accruals	-43,602	100	100
	<u>175,615</u>	<u>168,203</u>	<u>129,853</u>
Department of Military and Veterans' Affairs:			
Armory Renovations and Improvements	384	1,800	1,900
Army Facilities Service Contracts	762	1,400	1,600
Army National Guard Statewide Security Agreement	65	500	500
Army National Guard Sustainable Range Program	—	200	200
Army National Guard Transportation	—	125	125
Army Training and Technology Lab	183	500	500
Atlantic City Air Base – Service Contracts	1,112	2,200	2,200
Atlantic City Environmental	34	50	50
Atlantic City Operations and Maintenance	29	65	65
Brigadier General Doyle Memorial Cemetery Building Project	567	8,500	12,000
Combined Logistics Facility	—	26,000	—
Design and Construction of the Vineland Memorial Veterans' Home	10,440	—	—
Dining Facility Operations	—	700	700
Facilities Support Contract	1,797	6,000	6,433
Federal Distance Learning Program	34	200	200
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement	580	1,500	1,500
Hazardous Waste Environmental Protection Program	120	500	500
McGuire AFB Environmental	17	50	50
McGuire Air Force Base – Service Contracts	1,434	2,095	2,049
McGuire Operations and Maintenance	21	70	70
Medicare Part A Receipts for Resident Care and Operational Costs	3,513	5,042	6,108
National Guard Communications Agreement	341	750	880
New Jersey National Guard Challenge Youth Program	629	2,000	2,000
New Jersey National Guard Counter Drug Program Interservice State-Federal	12	12	12
Training and Equipment – Pool Sites	85	250	250
Transitional Housing	45	360	360
Veterans Haven Life Safety Code Rehabilitation – VA grant	229	—	—
Veterans' Education Monitoring	43	565	583
Warren Grove/Coyle Field	—	80	80
Various Federal Programs and Accruals	11,138	55	55
	<u>33,614</u>	<u>61,569</u>	<u>40,970</u>
Department of State:			
Americorps Grants	142	5,552	5,607
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	3,910	3,500	3,500
Leveraging Educational Assistance Partnership	2,266	2,097	2,097
National Endowment for the Arts Partnership	1,093	750	750
National Endowment for the Humanities Grant	—	715	715
National Health Service Corps – Student Loan Repayment Program	108	240	240
National Telecommunications Information Agency	—	625	625
Student Loan Administrative Cost Deduction and Allowance	15,368	22,056	23,175
Various Federal Programs and Accruals	2,823	—	—
	<u>25,710</u>	<u>35,535</u>	<u>36,709</u>

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Transportation:			
Airport Fund	1,186	10,000	10,000
Highway Planning and Research	11,789	19,500	19,500
Homeland Security	909	10,000	10,000
Metropolitan Planning Funds	15,111	12,039	12,039
Motor Carrier Safety Assistance Program	1,776	9,808	9,998
New Jersey Maritime Program	—	1,600	1,600
New Jersey Transportation Planning Assistance	84	8,700	8,700
Supportive Services Highway Construction Training Program	—	500	500
	30,855	72,147	72,337
Department of the Treasury:			
Diamond Shamrock Oil Overcharge Settlement	—	717	717
Division of Gas Expansion	801	600	600
NJ Partnership for the National Map	72	—	—
State Energy Conservation Program	—	2,602	2,602
Various Federal Programs and Accruals	1,219	700	700
	2,092	4,619	4,619
Judicial Branch—			
The Judiciary:			
Juvenile Drug Court Grant	366	—	—
Various Federal Programs and Accruals	517	835	835
	883	835	835
<i>Total Federal</i>	7,386,429	8,348,666	8,356,676
Revolving:			
Legislative Branch—			
Legislature:			
Various Revolving Funds	5	—	—
Executive Branch—			
Department of Community Affairs:			
Administration and Support Services	479	650	650
Housing Services	—	495	495
Liquid Petroleum Gas Education and Safety Board	111	360	315
Uniform Construction Code	9,749	6,800	6,394
Various Revolving Funds	74	—	—
	10,413	8,305	7,854
Department of Corrections:			
Culinary Arts Vocational Program	108	135	135
Farm Operations	9,615	10,500	10,700
Institutional Care and Treatment	442	470	499
State Use	20,494	20,500	20,500
	30,659	31,605	31,834
Department of Education:			
Administration and Support Services	5,334	3,419	3,599
General Education Development	306	350	350
Professional Development and Licensure	328	199	199
	5,968	3,968	4,148
Department of Environmental Protection:			
Administration and Support Services	126	100	130
Pesticide Control	104	225	225
Publicly-Funded Site Remediation	207	—	—
	437	325	355
Department of Health and Senior Services:			
Administration and Support Services	5,216	5,497	5,497
Laboratory Services	10,496	10,530	11,000
	15,712	16,027	16,497

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Human Services:			
Administration and Support Services	883	861	890
Income Maintenance Management	4,835	5,463	5,767
	<u>5,718</u>	<u>6,324</u>	<u>6,657</u>
Department of Labor and Workforce Development:			
Administration and Support Services	1,186	—	—
Planning and Analysis	36	—	—
	<u>1,222</u>	<u>—</u>	<u>—</u>
Department of Law and Public Safety:			
Criminal Justice	251	300	300
State Police Operations	1	553	553
	<u>252</u>	<u>853</u>	<u>853</u>
Department of State:			
Records Management	1,535	200	200
Department of Transportation:			
Administration and Support Services	716	—	—
Department of the Treasury:			
Adjudication of Administrative Appeals	894	895	895
Automotive Services	19,760	25,539	25,957
Capitol Post Office	1,648	1,648	1,648
Escrow – Construction Management Services	1,173	—	—
Office of Emergency Telecommunication Services	1,500	—	—
Office of Information Technology	102,296	101,554	101,554
Printing Services	2,484	2,324	2,324
Property Management and Construction – Construction Management Services	2,617	4,527	4,425
Public Information Services	1,430	1,293	1,001
Purchasing and Inventory Management	51,613	45,386	45,386
	<u>185,415</u>	<u>183,166</u>	<u>183,190</u>
<i>Total Revolving</i>	<i>258,052</i>	<i>250,773</i>	<i>251,588</i>
Total Other Revenues General Fund	<u>10,423,234</u>	<u>11,617,611</u>	<u>12,068,466</u>
SPECIAL TRANSPORTATION FUND			
General:			
County and Other Shared Projects	2,527	—	—
Transportation Trust Fund – Local Highway Facilities	196,654	145,000	175,000
Transportation Trust Fund – Public Transportation Projects	573,101	534,000	750,000
Transportation Trust Fund – State Highway Projects	558,298	526,000	675,000
	<u>1,330,580</u>	<u>1,205,000</u>	<u>1,600,000</u>
Federal:			
Federal Highway Administration	624,022	889,923	977,509
<i>Total Special Transportation Trust Fund</i>	<i>1,954,602</i>	<i>2,094,923</i>	<i>2,577,509</i>
TOTAL OTHER REVENUES	<u>12,377,836</u>	<u>13,712,534</u>	<u>14,645,975</u>

REVENUES & EXPENDITURES

SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
GENERAL FUND			
Legislative Branch			
Senate	10,966	12,269	12,269
General Assembly	18,250	18,692	18,692
Office of Legislative Services	33,644	29,991	29,991
Legislative Commissions	4,949	6,124	6,124
State Capitol Joint Management Commission	9,260	9,001	9,001
Clean Ocean and Shore Trust Committee	148	144	144
	77,217	76,221	76,221
Executive Branch			
Chief Executive	5,133	5,183	4,924
Department of Agriculture	24,586	22,871	25,996
Department of Banking and Insurance	64,386	68,033	67,965
Department of Children and Families	672,672	739,253	974,815
Department of Community Affairs	220,734	200,967	192,870
Department of Corrections	1,016,592	1,081,549	1,064,571
Department of Education	2,386,159	1,065,466	1,389,119
Department of Environmental Protection	406,511	346,828	494,879
Department of Health and Senior Services	1,548,453	1,349,070	1,624,680
Department of Human Services	4,490,299	4,503,139	4,238,002
Department of Labor and Workforce Development	148,877	108,436	115,213
Department of Law and Public Safety	622,316	576,892	575,171
Department of Military and Veterans' Affairs	86,433	89,999	90,545
Department of Personnel	30,535	25,463	23,990
Department of the Public Advocate	13,164	16,220	19,420
Department of State	1,229,774	1,335,001	1,175,194
Department of Transportation	1,202,304	1,182,655	1,282,148
Department of the Treasury	1,149,045	1,082,507	1,429,454
Miscellaneous Commissions	1,399	1,432	1,407
	15,319,372	13,800,964	14,790,363
Inter-Departmental Accts			
Inter-Departmental Services	543,532	570,075	654,149
Employee Benefits	1,983,781	2,169,455	2,399,482
Other Inter-Departmental Accounts	92,842	134,346	92,067
Salary Increases and Other Benefits	5,717	7,500	135,360
	2,625,872	2,881,376	3,281,058
Judicial Branch			
The Judiciary	537,712	571,750	571,750
	537,712	571,750	571,750
Total General Fund	18,560,173	17,330,311	18,719,392
CASINO CONTROL FUND – DIRECT STATE SERVICES			
Department of Law and Public Safety	40,676	42,599	42,599
Department of the Treasury	27,601	29,440	29,440
Total Casino Control Fund – Direct State Services	68,277	72,039	72,039

REVENUES & EXPENDITURES

SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
CASINO REVENUE FUND			
Department of Health and Senior Services	496,614	351,213	317,781
Department of Human Services	118,627	112,844	112,844
Department of Labor and Workforce Development	2,440	2,440	2,440
Department of Law and Public Safety	92	92	92
Department of Transportation	25,287	34,352	34,930
<i>Total Casino Revenue Fund</i>	<u>643,060</u>	<u>500,941</u>	<u>468,087</u>
GUBERNATORIAL ELECTIONS FUND – GRANTS-IN-AID			
Department of Law and Public Safety	6,310	2,525	—
PROPERTY TAX RELIEF FUND			
Department of Community Affairs	944,322	992,569	965,172
Department of Education	6,566,335	8,401,023	9,142,006
Department of Environmental Protection	8,457	9,000	9,500
Department of the Treasury	1,764,917	956,908	1,498,322
<i>Total Property Tax Relief Fund</i>	<u>9,284,031</u>	<u>10,359,500</u>	<u>11,615,000</u>
GRAND TOTAL EXPENDITURES BUDGETED	<u>28,561,851</u>	<u>28,265,316</u>	<u>30,874,518</u>

REVENUES & EXPENDITURES

SCHEDULE 4 EXPENDITURES NOT BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
GENERAL FUNDS			
Dedicated Funds			
Chief Executive	1,101	1,100	1,100
Department of Agriculture	9,276	10,950	10,764
Department of Banking and Insurance	432	896	896
Department of Children and Families	26,725	28,079	30,036
Department of Community Affairs	78,647	118,262	118,242
Department of Corrections	25,740	23,017	23,497
Department of Education	13,497	27,120	32,606
Department of Environmental Protection	33,936	61,712	68,091
Department of Health and Senior Services	180,596	255,919	273,877
Department of Human Services	733,328	732,639	1,120,448
Department of Labor and Workforce Development	149,648	181,400	177,700
Department of Law and Public Safety	186,281	254,774	275,862
Department of Military and Veterans' Affairs	323	2,285	2,190
Department of Personnel	4	3,300	3,200
Department of the Public Advocate	358	409	409
Department of State	46,379	22,643	23,116
Department of Transportation	293,179	282,692	283,775
Department of the Treasury	870,608	955,183	959,510
The Judiciary	50,616	55,792	54,883
<i>Total Dedicated Funds</i>	<i>2,700,674</i>	<i>3,018,172</i>	<i>3,460,202</i>
Federal Funds			
Legislature	2	—	—
Department of Agriculture	223,900	286,534	313,460
Department of Children and Families	309,891	366,981	407,910
Department of Community Affairs	248,726	286,031	283,409
Department of Corrections	9,136	10,065	8,613
Department of Education	821,115	835,799	809,975
Department of Environmental Protection	45,545	220,977	208,461
Department of Health and Senior Services	1,371,726	1,573,448	1,595,575
Department of Human Services	3,585,610	3,930,644	3,941,664
Department of Labor and Workforce Development	366,075	411,329	413,835
Department of Law and Public Safety	207,716	172,584	134,552
Department of Military and Veterans' Affairs	34,205	61,569	40,970
Department of Personnel	322	—	—
Department of the Public Advocate	728	1,023	1,023
Department of State	27,714	36,109	37,283
Department of Transportation	28,381	69,647	69,647
Department of the Treasury	3,405	5,847	5,847
Interdepartmental Accounts	1,194	—	—
The Judiciary	75,292	80,079	84,452
<i>Total Federal Funds</i>	<i>7,360,683</i>	<i>8,348,666</i>	<i>8,356,676</i>
Revolving Funds			
Legislature	4	—	—
Department of Community Affairs	15,223	8,305	7,854
Department of Corrections	31,139	31,605	31,834
Department of Education	5,110	3,968	4,148
Department of Environmental Protection	706	325	355
Department of Health and Senior Services	18,838	16,027	16,497
Department of Human Services	7,209	6,324	6,657
Department of Labor and Workforce Development	1,618	—	—
Department of Law and Public Safety	445	853	853
Department of State	1,351	200	200
Department of Transportation	701	—	—
Department of the Treasury	189,356	183,166	183,190
<i>Total Revolving Funds</i>	<i>271,700</i>	<i>250,773</i>	<i>251,588</i>
<i>Total Expenditures General Fund</i>	<i>10,333,057</i>	<i>11,617,611</i>	<i>12,068,466</i>
SPECIAL TRANSPORTATION TRUST FUND			
General	2,081,437	2,094,923	2,577,509
GRAND TOTAL EXPENDITURES NOT BUDGETED	12,414,494	13,712,534	14,645,975

REVENUES & EXPENDITURES

SUMMARY REVENUES, EXPENDITURES AND FUND BALANCES GENERAL STATE FUNDS (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Beginning Balances July 1			
<i>Undesignated Fund Balances</i>			
General Fund	\$ 376,502	\$ 461,701	\$ 514,628
Surplus Revenue Fund	282,416	288,654	300,372
Property Tax Relief Fund	175,264	27,875	—
Gubernatorial Elections Fund	1,310	—	—
Casino Control Fund	4,888	1,289	8,527
Casino Revenue Fund	22,747	—	—
Total Undesignated Fund Balances	863,127	779,519	823,527
<i>Designated Fund Balances</i>			
General Fund	1,105,427	1,205,284	1,205,284
Property Tax Relief Fund	5,765	407,101	407,101
Casino Control Fund	947	873	873
Casino Revenue Fund	30,840	43	43
Special Transportation Fund	—	—	—
Total Designated Fund Balances	1,142,979	1,613,301	1,613,301
Total Beginning Balances	2,006,106	2,392,820	2,436,828
Revenues			
<i>General Fund</i>			
State Revenues (Schedule I)	18,593,999	17,046,944	18,504,392
Other Revenues (Schedule II)	10,423,234	11,617,611	12,068,466
Property Tax Relief Fund (Schedule I)	9,537,939	10,585,000	11,615,000
Gubernatorial Elections Fund (Schedule I)	517	700	700
Casino Control Fund (Schedule I)	64,361	63,512	63,512
Casino Revenue Fund (Schedule I)	619,226	500,941	468,087
Special Transportation Fund (Schedule II)	1,954,602	2,094,923	2,577,509
Total Revenues	41,193,878	41,909,631	45,297,666
Other Adjustments			
<i>General Fund</i>			
Balances lapsed	—	98,565	—
From (To) Property Tax Relief Fund	—	267,037	—
From (To) Gubernatorial Elections Fund	(4,483)	(1,825)	—
From (To) Casino Control Fund	—	(15,765)	—
From (To) Surplus Revenue	(6,238)	(11,718)	—
Budget vs GAAP adjustment	62,094	—	—
Miscellaneous	9,680	—	—
<i>Property Tax Relief Fund</i>			
From (To) General Fund	—	(267,037)	—
Balances lapsed	—	13,662	—
Budget vs GAAP adjustment	(401,297)	—	—
Miscellaneous	401,336	—	—
<i>Gubernatorial Elections Fund</i>			
From (To) General Fund	4,483	1,825	—
<i>Casino Control Fund</i>			
From (To) General Fund	—	15,765	—
Budget vs GAAP adjustment	317	—	—
Miscellaneous	(74)	—	—
<i>Casino Revenue Fund</i>			
Budget vs GAAP adjustment	1,087	—	—
Miscellaneous	(30,797)	—	—
<i>Surplus Revenue Fund</i>			
From (To) General Fund	6,238	11,718	—
<i>Special Transportation Fund</i>			
Budget vs GAAP adjustment	126,835	—	—
Total Other Adjustments	169,181	112,227	—
Total Available	43,369,165	44,414,678	47,734,494

REVENUES & EXPENDITURES

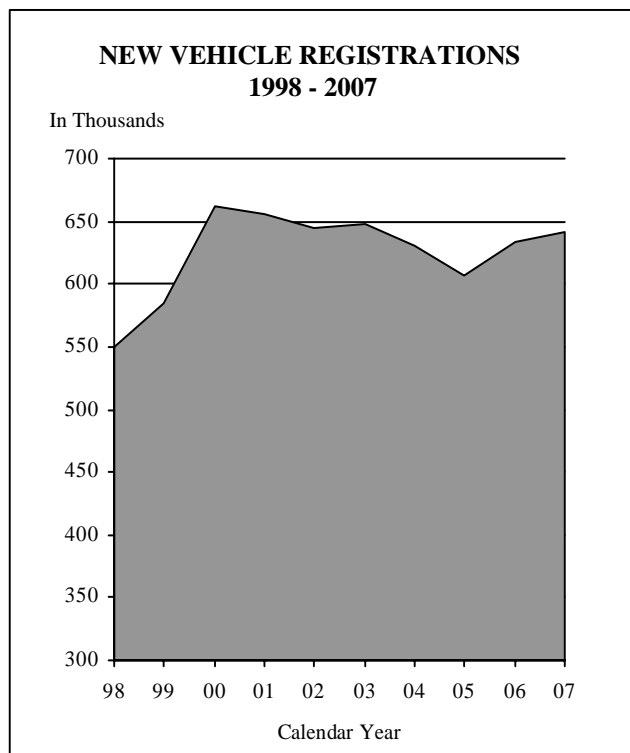
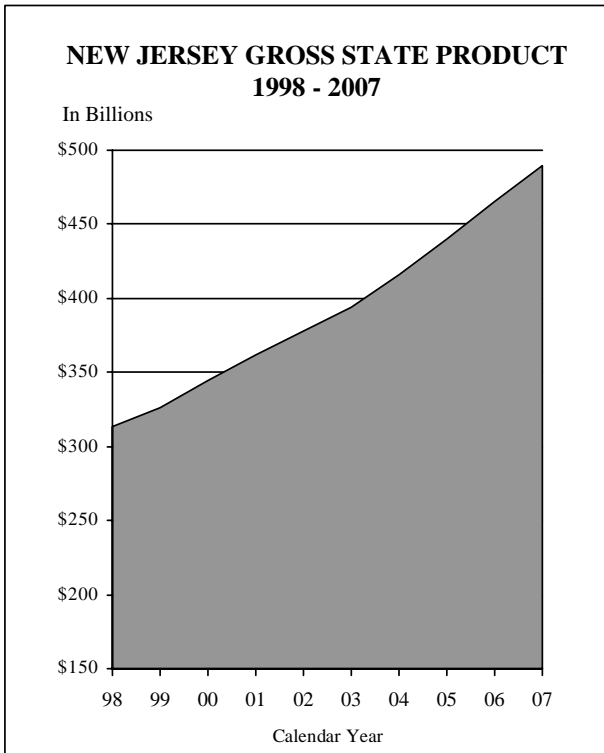
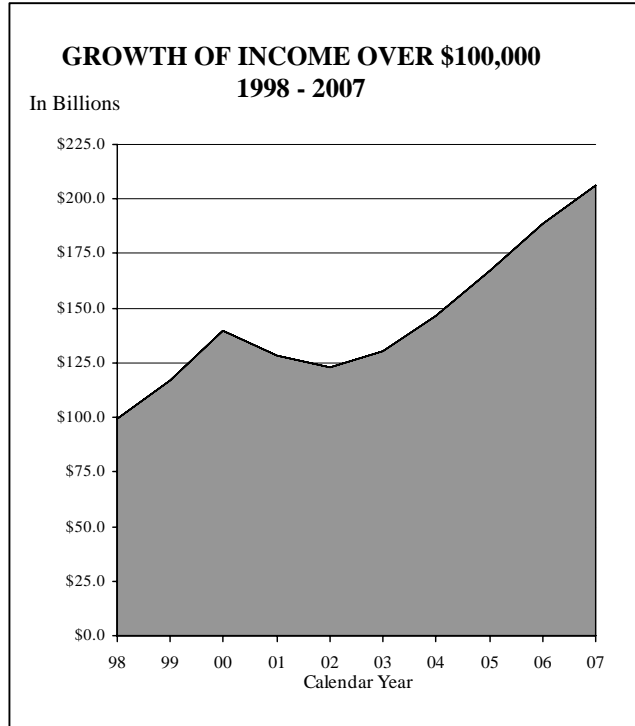
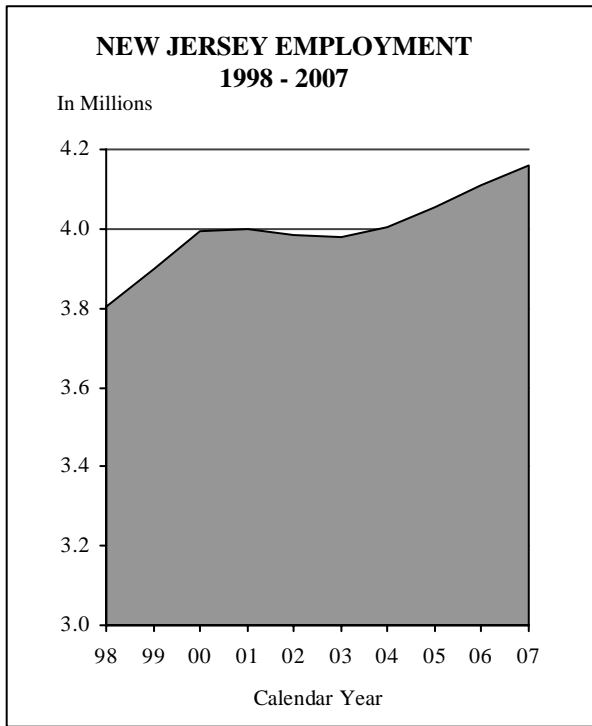
SUMMARY REVENUES, EXPENDITURES AND FUND BALANCES GENERAL STATE FUNDS (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Expenditures			
<i>General Fund</i>			
Expenditures Budgeted (Schedule III)	18,560,173	17,330,311	18,719,392
Expenditures Not Budgeted (Schedule IV)	10,333,057	11,617,611	12,068,466
Property Tax Relief Fund (Schedule III)	9,284,031	10,359,500	11,615,000
Gubernatorial Elections Fund (Schedule III)	6,310	2,525	—
Casino Control Fund (Schedule III)	68,277	72,039	72,039
Casino Revenue Fund (Schedule III)	643,060	500,941	468,087
Special Transportation Fund (Schedule IV)	2,081,437	2,094,923	2,577,509
Total Expenditures	40,976,345	41,977,850	45,520,493
 Ending Balances June 30			
<i>Undesignated Fund Balances</i>			
General Fund	461,701	514,628	299,628
Surplus Revenue Fund	288,654	300,372	300,372
Property Tax Relief Fund	27,875	—	—
Gubernatorial Elections Fund	—	—	700
Casino Control Fund	1,289	8,527	—
Casino Revenue Fund	—	—	—
Total Undesignated Fund Balances	779,519	823,527	600,700
<i>Designated Fund Balances</i>			
General Fund	1,205,284	1,205,284	1,205,284
Property Tax Relief Fund	407,101	407,101	407,101
Casino Control Fund	873	873	873
Casino Revenue Fund	43	43	43
Special Transportation Fund	—	—	—
Total Designated Fund Balances	1,613,301	1,613,301	1,613,301
Total Ending Balances	\$ 2,392,820	\$ 2,436,828	\$ 2,214,001

NOTES

Economic Growth

(1998 – 2007)



The FY 2007 Budget

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	% Change
Opening Surplus	\$ 780	\$ 824	5.6
Revenues			
Income			
Base	10,585	11,720	10.7
Initiatives		(105)	
Sales			
Base	6,716	6,944	3.4
Initiatives		1,433	
Corporate			
Base	2,805	2,463	(12.2)
Initiatives		60	
Other			
Base	8,091	7,829	(3.2)
Initiatives		308	
Total Revenues	\$ 28,197	\$ 30,652	8.7
Lapses	112		
Total Resources	\$ 29,089	\$ 31,476	8.2
Appropriations			
Original	\$ 27,920	\$ 30,875	10.6
Supplemental	345		
Total Appropriations	\$ 28,265	\$ 30,875	9.2
Fund Balance	\$ 824	\$ 601	

REVENUES & EXPENDITURES

FY 2006 Revenues

(In Millions)

	FY2006 Approp. Act Revenues*	FY2006 Adjusted Revenues	Change	
			\$	%
Income	\$ 10,335	\$ 10,585	\$ 250	2.4
Sales	6,890	6,716	(174)	(2.5)
Corporate	2,402	2,805	403	16.8
Other**	<u>8,249</u>	<u>8,091</u>	<u>(158)</u>	(1.9)
Total	<u>\$ 27,876</u>	<u>\$ 28,197</u>	<u>\$ 321</u>	1.2

* Restated

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

FY 2007 Revenues

(In Millions)

	FY2006 Adjusted Revenues	FY2007 Budget	Change	
			\$	%
Income	\$ 10,585	\$ 11,615	\$ 1,030	9.7
Sales	6,716	8,377	1,661	24.7
Corporate	2,805	2,523	(282)	(10.1)
Other*	<u>8,091</u>	<u>8,137</u>	<u>46</u>	0.6
Total	<u>\$ 28,197</u>	<u>\$ 30,652</u>	<u>\$ 2,455</u>	8.7

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

FY 2007 Revenue Actions

(In Millions)

Taxes

Sales Tax - Increase to 7%	\$ 1,085
Sales Tax - Consumer Services	248
Cigarette Tax	80
Corporation Business Tax Surcharge 2.5%	60
Surcharge on New Luxury Car Registrations	17
Realty Transfer Tax Commercial Property >\$1 Million	17
Alcohol Beverage Tax Increase	12
Water Supply Surcharge	12

Miscellaneous Revenues

Sales Tax - Urban Enterprise Zone Reform	100
State Disability Benefit Fund	50
Autonomous Transportation Authorities	38
Improved Tax Collections from Audit and Enforcement Collection	36
State Police Rural Patrol	24
Other	22

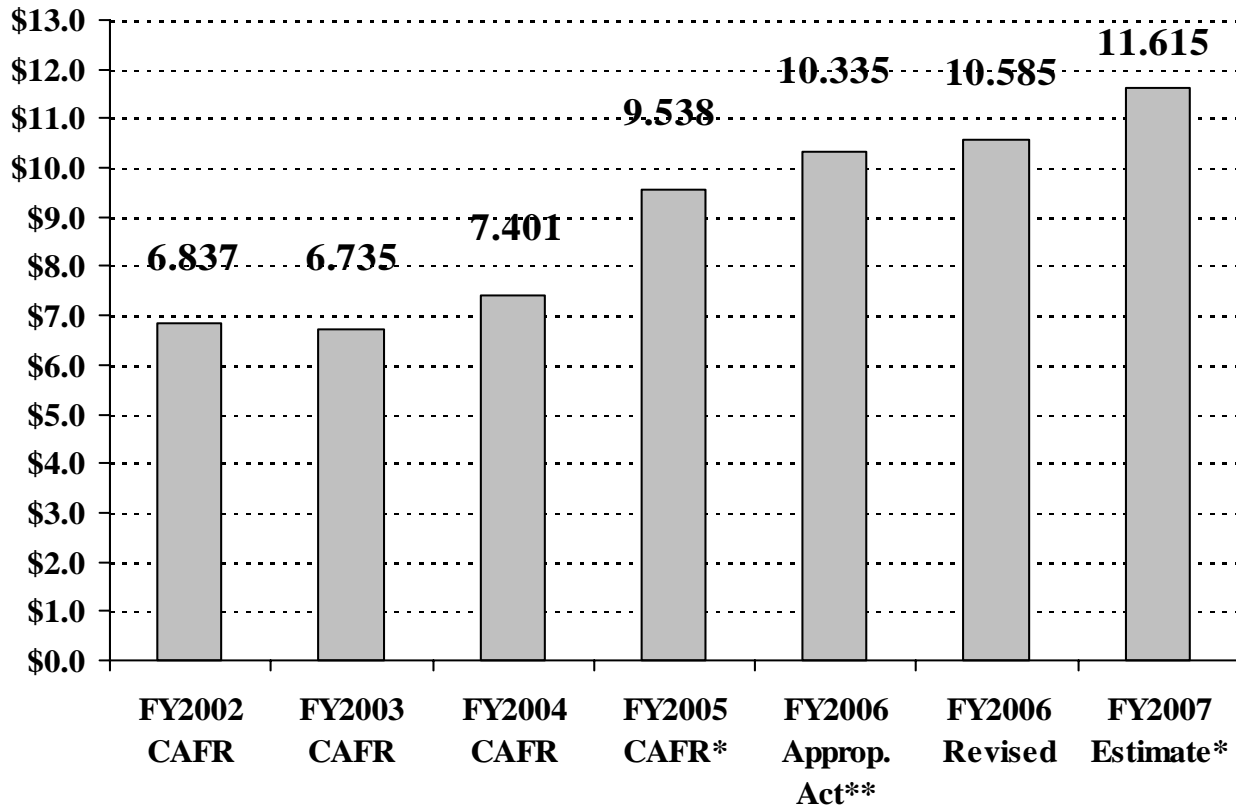
Revenue Solutions 1,801

Low-Income Refundable Tax Credit (105)

Total Revenue Actions \$ 1,696

GROSS INCOME TAX

(In Billions)



*These revenues include changes in tax policy.

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

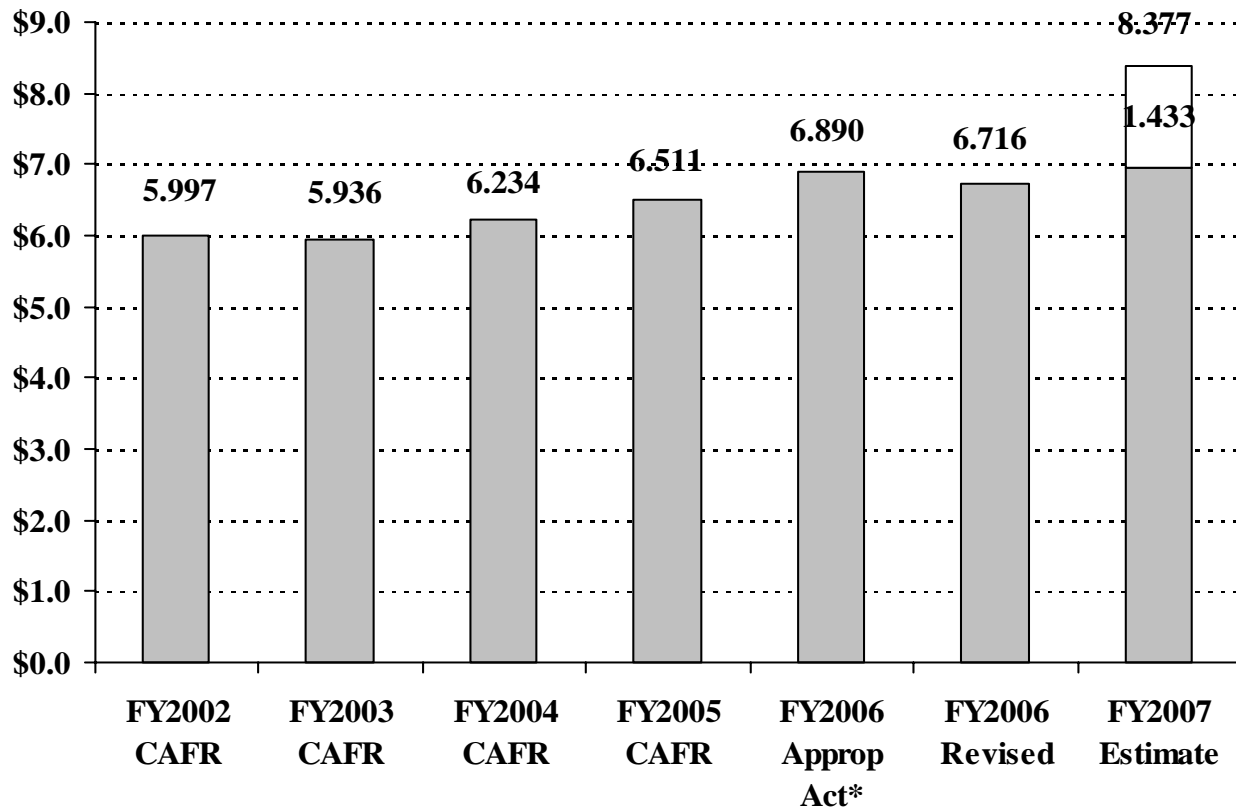
FY 2007 – Low-income refundable tax credit proposal

**Restated

CAFR – Comprehensive Annual Financial Report

SALES TAX

(In Billions)



FY07 includes \$1.433 billion in initiatives.

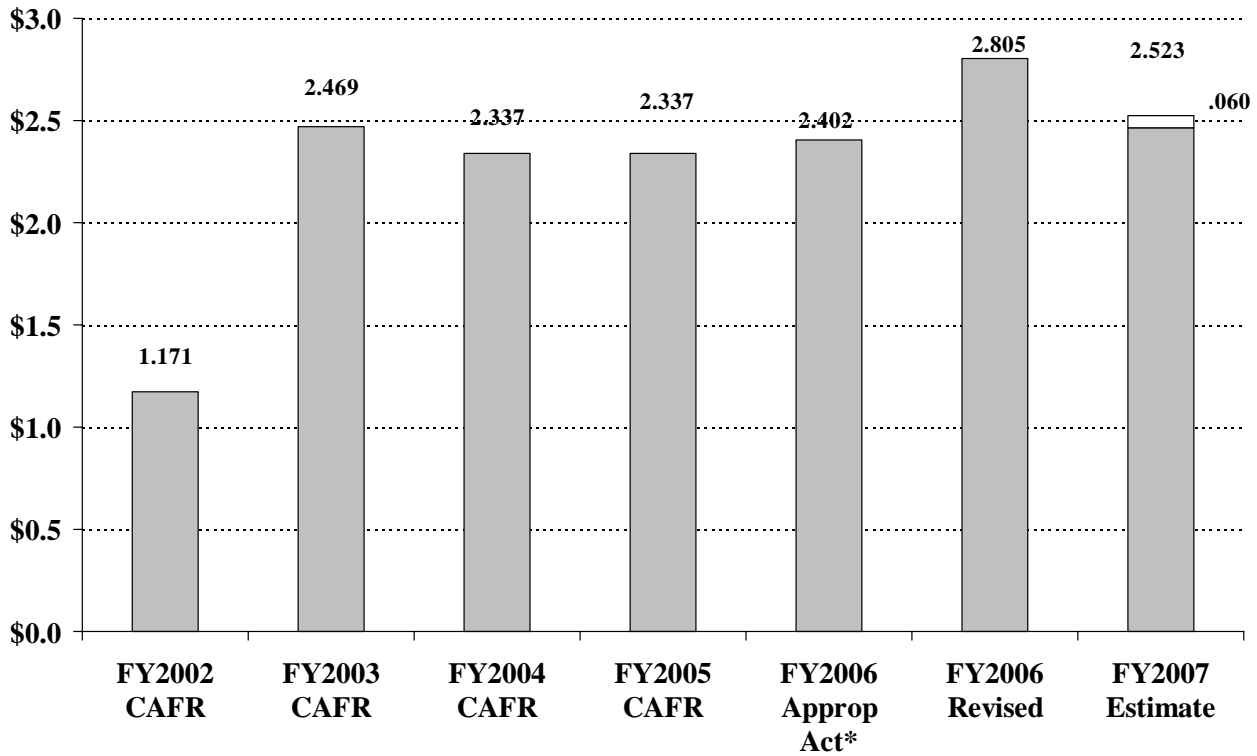
Sales tax excludes the tax on energy

CAFR – Comprehensive Annual Financial Report

*Restated

CORPORATION BUSINESS TAX

(In Billions)



FY07 includes \$60 million in initiatives.

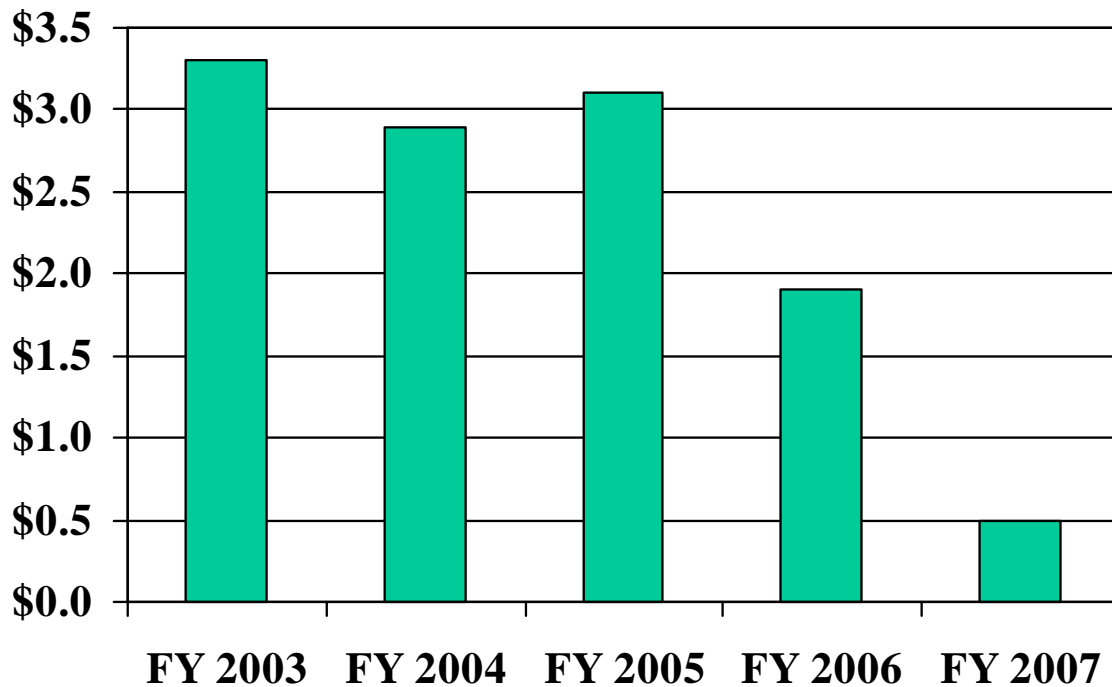
Corporation business tax excludes the tax on energy

CAFR – Comprehensive Annual Financial Report

*Restated

***Nonrecurring Resources Down by More Than 80%
Compared to the Average of Last 4 Years***

(In Billions)



Note: Excludes \$80 million of one-time revenues for capital improvement projects.

***Nonrecurring Resources Down by More Than 80%
Compared to the Average of Last 4 Years***

(In Millions)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Tobacco Securitization	\$ 1,557	\$ 1,612	\$ ---	\$ ---	\$ ---
New Revenue Securitization	---	---	1,930	---	---
General Fund Surplus	15	---	463	44	223
Unemployment Insurance Fund	325	325	100	350	---
Millionaire's Tax - Retroactive Impact	---	---	156	---	---
Federal Stimulus	106	433	---	---	---
PAAD Waiver	147	148	---	---	---
CBT Accelerated Payments	651	---	---	---	---
Car Registration Acceleration	---	---	16	22	22 *
Unclaimed Property	100	---	---	---	---
State Disability Fund	---	30	110	---	50
Securities Enforcement Collections	---	10	2	---	---
Real Estate Guarantee	---	1	---	---	---
NJ Redevelopment Authority	---	9	---	---	---
Hotel Revenue State Share	---	25	---	---	---
Economic Development Authority	---	30	2	2	---
Toll Road Revenue TTF	22	22	---	---	---
Catastrophic Illness in Children Relief Fund	---	4	---	---	---
Drug Enforcement Demand Reduction	4	3	1	2	---
Educational Facilities Authority	---	---	2	---	---
Federal TANF Balances	70	86	18	---	---
VOI/TIS Federal Funds	12	13	---	---	---
Cash Management Fund	20	---	---	12	---
Free Public Schools	25	---	---	---	---
Meadowlands Commission	62	---	---	---	---
Sanitary Landfill Contingency	6	6	---	---	---
Second Injury Fund	20	---	---	5	---
Surplus Lines	43	---	---	---	---
UMDNJ Self Insurance Fund	77	---	---	---	---
UEZ Balances/Overpayment Deferred	37	---	---	---	50
Mutual Workers' Compensation Fund	---	---	5	---	---
Petroleum Surcharge Fund	---	---	---	5	---
PAAD / ADDP Rebate Receivable	---	---	---	56	---
PAAD Medicare D Administration	---	---	---	5	---
Bond Refinancing	---	---	---	150	---
Benefit Enhancement Fund / Pensions	---	126	265	385	---
Asset Sales	---	---	---	200	---
Human Services-Revenues	---	---	---	4	94
Tobacco Settlement Fund	---	---	---	10	---
New Home Warranty Security Fund	---	---	---	20	---
Phase-out of Casino Comps	---	---	---	43	---
Public Records Preservation Fund	---	---	---	5	---
G.O./Bldg. Authority Refinance Savings	---	---	---	266	---
Health Benefits / Rx Fund Balance	---	---	---	60	60
Cigarette and MVC Revenues	---	---	---	243	---
Total	<u>\$ 3,299</u>	<u>\$ 2,883</u>	<u>\$ 3,070</u>	<u>\$ 1,889</u>	<u>\$ 499</u>

Based on planned actions, comparing Approp Act to Approp Act

* FY2008 impact from 4 year vehicle registration

Note: Excludes \$80 million of one-time revenues for capital improvement projects.



Appendices

**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-----		
	2005 Actual	2006 Estimated	2007 Estimated
Fund Balance July 1	4,975,834	4,884,809	5,142,320
Total Revenues	6,090,658	6,168,446	6,381,829
Other Financing Sources			
Proceeds from sale of bonds	--	89,000	75,200
Transfers from other funds	490,974	861,302	464,644
Other	2,325,746	--	--
Total Other Financing Sources	2,816,720	950,302	539,844
Total Available	13,883,212	12,003,557	12,063,993
Total Expenditures	5,095,924	4,949,126	4,982,457
Other Financing Uses			
Transfers to other funds	3,902,479	1,912,111	1,900,567
Total Other Financing Uses	3,902,479	1,912,111	1,900,567
Total Expenditures and Other Financing Uses	8,998,403	6,861,237	6,883,024
Fund Balance June 30	4,884,809	5,142,320	5,180,969

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)			
Fund Balance July 1	5,396	6,384	6,245
Revenues			
Taxes	11,000	11,000	11,000
Licenses and fees	2,060	2,010	2,010
Investment earnings	121	225	201
Total Revenues	13,181	13,235	13,211
Total Available	18,577	19,619	19,456
Expenditures			
Public safety and criminal justice	1,104	1,684	1,680
Physical and mental health	9,324	9,940	9,940
Total Expenditures	10,428	11,624	11,620
Other Financing Uses			
Transfers to other funds	1,765	1,750	1,750
Total Other Financing Uses	1,765	1,750	1,750
Total Expenditures and Other Financing Uses	12,193	13,374	13,370
Fund Balance June 30	6,384	6,245	6,086
Atlantic City Parking Fees Fund (P.L. 1993, c.159)			
Fund Balance July 1	1,452	71	81
Revenues			
Taxes	16,297	19,328	22,000
Investment earnings	8	10	11
Total Revenues	16,305	19,338	22,011
Total Available	17,757	19,409	22,092
Expenditures			
Economic planning, development and security	17,686	19,328	22,000
Total Expenditures	17,686	19,328	22,000
Fund Balance June 30	71	81	92
Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)			
Fund Balance July 1	752	757	765
Revenues			
Taxes	10,102	11,100	12,200
Investment earnings	5	8	10
Total Revenues	10,107	11,108	12,210
Total Available	10,859	11,865	12,975
Expenditures			
Economic planning, development and security	10,102	11,100	12,200
Total Expenditures	10,102	11,100	12,200
Fund Balance June 30	757	765	775

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Beaches and Harbors Fund (P.L. 1977, c.208)			
Fund Balance July 1	1,352	1,352	2,700
Revenues			
Investment Earnings	--	48	94
Other	28	1,376	--
Total Revenues	28	1,424	94
Total Available	1,380	2,776	2,794
Other Financing Uses			
Transfers to other funds	28	76	94
Total Other Financing Uses	28	76	94
Fund Balance June 30	1,352	2,700	2,700
Board of Bar Examiners (R. 1:27 B 1)			
Fund Balance July 1	4,150	4,671	4,186
Revenues			
Licenses and fees	2,784	2,624	2,649
Investment earnings	94	100	75
Other	54	50	50
Total Revenues	2,932	2,774	2,774
Total Available	7,082	7,445	6,960
Expenditures			
Public safety and criminal justice	2,411	3,259	3,259
Total Expenditures	2,411	3,259	3,259
Fund Balance June 30	4,671	4,186	3,701
Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)			
Fund Balance July 1	462	184	--
Revenues			
Investment earnings	5	4	--
Other	--	--	--
Total Revenues	5	4	--
Total Available	467	188	--
Expenditures			
Community development and environmental management	283	188	--
Total Expenditures	283	188	--
Fund Balance June 30	184	--	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Body Armor Replacement Fund (P.L. 1997, c. 177)			
Fund Balance July 1	6,048	6,299	6,600
Revenues			
Investment earnings	106	168	174
Other	4,142	4,093	4,052
Total Revenues	4,248	4,261	4,226
Total Available	10,296	10,560	10,826
Expenditures			
Public safety and criminal justice	3,500	3,485	3,450
Government direction, management, and control	422	400	400
Total Expenditures	3,922	3,885	3,850
Other Financing Uses			
Transfers to other funds	75	75	75
Total Other Financing Uses	75	75	75
Total Expenditures and Other Financing Uses	3,997	3,960	3,925
Fund Balance June 30	6,299	6,600	6,901
Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)			
Fund Balance July 1	1,788	1,716	1,353
Revenues			
Investment earnings	9	15	15
Other	1	--	--
Total Revenues	10	15	15
Total Available	1,798	1,731	1,368
Expenditures			
Government direction, management, and control	2	--	--
Total Expenditures	2	--	--
Other Financing Uses			
Transfers to other funds	80	378	378
Total Other Financing Uses	80	378	378
Total Expenditures and Other Financing Uses	82	378	378
Fund Balance June 30	1,716	1,353	990
Casino Simulcasting Fund (P.L. 1992, c.19)			
Fund Balance July 1	158	94	4
Revenues			
Investment earnings	10	10	5
Other	526	600	600
Total Revenues	536	610	605
Total Available	694	704	609
Other Financing Uses			
Transfers to other funds	600	700	600
Total Other Financing Uses	600	700	600
Fund Balance June 30	94	4	9

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Casino Simulcasting Special Fund (P.L. 1992, c.19)			
Fund Balance July 1	4,965	4,443	4,712
Revenues			
Investment earnings	76	169	177
Other	5,642	6,000	6,000
Total Revenues	5,718	6,169	6,177
Total Available	10,683	10,612	10,889
Expenditures			
Public safety and criminal justice	6,240	5,900	5,900
Total Expenditures	6,240	5,900	5,900
Fund Balance June 30	4,443	4,712	4,989
Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)			
Fund Balance July 1	3,836	5,844	3,631
Revenues			
Services and assessments	6,809	6,300	6,300
Investment earnings	80	167	125
Total Revenues	6,889	6,467	6,425
Other Financing Sources			
Transfers from other funds	3,000	--	--
Total Other Financing Sources	3,000	--	--
Total Available	13,725	12,311	10,056
Expenditures			
Government direction, management, and control	6,673	--	--
Total Expenditures	6,673	--	--
Other Financing Uses			
Transfers to other funds	1,208	8,680	9,140
Total Other Financing Uses	1,208	8,680	9,140
Total Expenditures and Other Financing Uses	7,881	8,680	9,140
Fund Balance June 30	5,844	3,631	916
Cigarette Tax Securitization Fund (P.L. 2004, c.68)			
Fund Balance July 1	--	--	--
Other Financing Sources			
Other	1,486,139	--	--
Total Other Financing Sources	1,486,139	--	--
Total Available	1,486,139	--	--
Expenditures			
Government direction, management, and control	296,139	--	--
Total Expenditures	296,139	--	--
Other Financing Uses			
Transfers to other funds	1,190,000	--	--
Total Other Financing Uses	1,190,000	--	--
Total Expenditures and Other Financing Uses	1,486,139	--	--
Fund Balance June 30	--	--	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Clean Communities Account Fund (P.L. 1985, c.533)			
Fund Balance July 1	1,596	2,312	2,156
Revenues			
Taxes	15,447	14,500	14,500
Investment earnings	81	76	80
Total Revenues	15,528	14,576	14,580
Total Available	17,124	16,888	16,736
Expenditures			
Community development and environmental management	11,111	10,875	10,875
Total Expenditures	11,111	10,875	10,875
Other Financing Uses			
Transfers to other funds	3,701	3,857	3,625
Total Other Financing Uses	3,701	3,857	3,625
Total Expenditures and Other Financing Uses	14,812	14,732	14,500
Fund Balance June 30	2,312	2,156	2,236
Clean Energy Fund (P.L. 1999, c.23)			
Fund Balance July 1	--	124,347	107,833
Revenues			
Services and assessments	130,474	49,325	184,214
Investment earnings	943	3,000	1,500
Total Revenues	131,417	52,325	185,714
Total Available	131,417	176,672	293,547
Expenditures			
Economic planning, development, and security	7,070	68,839	258,660
Total Expenditures	7,070	68,839	258,660
Fund Balance June 30	124,347	107,833	34,887
Clean Waters Fund (P.L. 1976, c.92)			
Fund Balance July 1	1,933	(128)	35
Revenues			
Investment earnings	12	5	10
Total Revenues	12	5	10
Other Financing Sources			
Proceeds from sale of bonds	--	200	200
Total Other Financing Sources	--	200	200
Total Available	1,945	77	245
Expenditures			
Community development and environmental management	2,061	37	100
Government direction, management, and control	4	--	--
Total Expenditures	2,065	37	100
Other Financing Uses			
Transfers to other funds	8	5	10
Total Other Financing Uses	8	5	10
Total Expenditures and Other Financing Uses	2,073	42	110
Fund Balance June 30	(128)	35	135

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)			
Fund Balance July 1	(2,471)	(2,999)	2,044
Revenues			
Investment earnings	57	60	55
Total Revenues	57	60	55
Other Financing Sources			
Proceeds from sale of bonds	--	6,000	--
Total Other Financing Sources	--	6,000	--
Total Available	(2,414)	3,061	2,099
Expenditures			
Educational, cultural, and intellectual development	401	--	--
Economic planning, development and security	18	762	200
Total Expenditures	419	762	200
Other Financing Uses			
Transfers to other funds	166	255	255
Total Other Financing Uses	166	255	255
Total Expenditures and Other Financing Uses	585	1,017	455
Fund Balance June 30	(2,999)	2,044	1,644
2003 Dam, Lake, and Stream Project Revolving Loan Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	45,000
Revenues			
Investment earnings	--	--	175
Total Revenues	--	--	175
Other Financing Sources			
Proceeds from sale of bonds	--	45,000	45,000
Total Other Financing Sources	--	45,000	45,000
Total Available	--	45,000	90,175
Fund Balance June 30	--	45,000	90,175
2003 Dam, Lake, Stream, and Flood Control Project Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	5,000
Revenues			
Investment earnings	--	--	175
Total Revenues	--	--	175
Other Financing Sources			
Proceeds from sale of bonds	--	20,000	25,000
Total Other Financing Sources	--	20,000	25,000
Total Available	--	20,000	30,175
Expenditures			
Community development and environmental management	--	15,000	24,000
Total Expenditures	--	15,000	24,000
Other Financing Uses			
Transfers to other funds	--	--	175
Total Other Financing Uses	--	--	175
Total Expenditures and Other Financing Uses	--	15,000	24,175
Fund Balance June 30	--	5,000	6,000

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1992 Dam Restoration and Clean Water Fund (P.L. 1992, c. 88)			
Fund Balance July 1	15,902	16,210	15,381
Revenues			
Investment earnings	120	171	205
Other	191	--	--
Total Revenues	311	171	205
Total Available	16,213	16,381	15,586
Expenditures			
Community development and environmental management	3	1,000	1,000
Total Expenditures	3	1,000	1,000
Fund Balance June 30	16,210	15,381	14,586
1989 Development Potential Bank Transfer Fund (P.L. 1989, c. 183)			
Fund Balance July 1	6,443	6,466	6,336
Revenues			
Investment earnings	140	220	116
Total Revenues	140	220	116
Total Available	6,583	6,686	6,452
Expenditures			
Community development and environmental management	117	200	6,000
Total Expenditures	117	200	6,000
Other Financing Uses			
Transfers to other funds	--	150	150
Total Other Financing Uses	--	150	150
Total Expenditures and Other Financing Uses	117	350	6,150
Fund Balance June 30	6,466	6,336	302
Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c. 108)			
Fund Balance July 1	28,252	22,110	10,110
Revenues			
Investment earnings	529	765	313
Total Revenues	529	765	313
Total Available	28,781	22,875	10,423
Expenditures			
Public safety and criminal justice	65	--	--
Educational, cultural and intellectual management	5,649	12,000	7,000
Government direction, management and control	428	--	--
Total Expenditures	6,142	12,000	7,000
Other Financing Uses			
Transfers to other funds	529	765	313
Total Other Financing Uses	529	765	313
Total Expenditures and Other Financing Uses	6,671	12,765	7,313
Fund Balance June 30	22,110	10,110	3,110

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Disciplinary Oversight Committee (R. 1:20-2)			
Fund Balance July 1	1,596	1,834	1,148
Revenues			
Licenses and fees	8,702	8,384	8,384
Investment earnings	82	100	100
Other	272	275	275
Total Revenues	9,056	8,759	8,759
Total Available	10,652	10,593	9,907
Expenditures			
Public safety and criminal justice	8,818	9,445	9,445
Total Expenditures	8,818	9,445	9,445
Fund Balance June 30	1,834	1,148	462
Division of Motor Vehicles Surcharge Fund (P.L.1994, c. 57)			
Fund Balance July 1	101	226	--
Revenues			
Services and assessments	129,758	136,000	136,000
Investment earnings	228	209	139
Total Revenues	129,986	136,209	136,139
Total Available	130,087	136,435	136,139
Expenditures			
Public safety and criminal justice	4,482	4,000	4,000
Government direction, management and control	125,379	132,435	132,139
Total Expenditures	129,861	136,435	136,139
Fund Balance June 30	226	--	--
Dredging and Containment Facility Fund (P.L. 1996, c.70)			
Fund Balance July 1	48,958	39,051	30,496
Revenues			
Investment earnings	920	1,380	1,034
Total Revenues	920	1,380	1,034
Total Available	49,878	40,431	31,530
Expenditures			
Community development and environmental management	220	750	750
Transportation programs	8,697	8,583	8,583
Government direction, management, and control	1,478	--	--
Total Expenditures	10,395	9,333	9,333
Other Financing Uses			
Transfers to other funds	432	602	602
Total Other Financing Uses	432	602	602
Total Expenditures and Other Financing Uses	10,827	9,935	9,935
Fund Balance June 30	39,051	30,496	21,595

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Drinking Water State Revolving Fund (P.L. 1998, c.84)			
Fund Balance July 1	123,534	152,079	171,013
Revenues			
Federal and other grants	23,914	19,838	19,838
Investment earnings	1,227	1,434	1,500
Total Revenues	25,141	21,272	21,338
Other Financing Sources			
Transfers from other funds	6,308	6,295	6,300
Total Other Financing Sources	6,308	6,295	6,300
Total Available	154,983	179,646	198,651
Expenditures			
Community development and environment management	--	2,289	2,000
Total Expenditures	--	2,289	2,000
Other Financing Uses			
Transfers to other funds	2,904	6,344	6,344
Total Other Financing Uses	2,904	6,344	6,344
Total Expenditures and Other Financing Uses	2,904	8,633	8,344
Fund Balance June 30	152,079	171,013	190,307
1996 Economic Development Site Fund (P.L. 1996, c.70)			
Fund Balance July 1	6,959	4,658	2,511
Revenues			
Investment earnings	38	53	25
Total Revenues	38	53	25
Total Available	6,997	4,711	2,536
Expenditures			
Economic planning, development, and security	1,200	2,200	--
Government direction, management, and control	1,139	--	--
Total Expenditures	2,339	2,200	--
Fund Balance June 30	4,658	2,511	2,536
Emergency Flood Control Fund (P.L. 1978, c.78)			
Fund Balance July 1	353	353	353
Revenues			
Investment earnings	8	12	12
Total Revenues	8	12	12
Total Available	361	365	365
Other Financing Uses			
Transfers to other funds	8	12	12
Total Other Financing Uses	8	12	12
Fund Balance June 30	353	353	353

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Emergency Medical Technician Training Fund (P.L. 1992, c.143)			
Fund Balance July 1	7,574	7,148	6,308
Revenues			
Services and assessments	2,108	2,000	2,000
Investment earnings	163	264	225
Total Revenues	2,271	2,264	2,225
Other Financing Sources			
Transfers from other funds	16	--	--
Total Other Financing Sources	16	--	--
Total Available	9,861	9,412	8,533
Expenditures			
Physical and mental health	2,479	2,800	2,800
Total Expenditures	2,479	2,800	2,800
Other Financing Uses			
Transfers to other funds	234	304	454
Total Other Financing Uses	234	304	454
Total Expenditures and Other Financing Uses	2,713	3,104	3,254
Fund Balance June 30	7,148	6,308	5,279
Emergency Services Fund (N.J.S.A. 52:14E-5)			
Fund Balance July 1	10,473	13,466	5,716
Revenues			
Investment earnings	286	330	200
Total Revenues	286	330	200
Other Financing Sources			
Transfers from other funds	5,000	--	--
Total Other Financing Sources	5,000	--	--
Total Available	15,759	13,796	5,916
Expenditures			
Public safety and criminal justice	2,039	6,380	--
Community development and environmental management	254	1,700	--
Total Expenditures	2,293	8,080	--
Fund Balance June 30	13,466	5,716	5,916
Enterprise Zone Assistance Fund (P.L. 1983, c.303)			
Fund Balance July 1	195,938	226,415	258,716
Revenues			
Taxes	78,167	85,500	87,363
Licenses and fees	3,134	--	--
Investment earnings	4,715	8,490	9,631
Total Revenues	86,016	93,990	96,994
Total Available	281,954	320,405	355,710
Expenditures			
Community development and environmental management	4,776	5,511	5,648
Economic planning, development, and security	43,799	44,769	45,888
Total Expenditures	48,575	50,280	51,536
Other Financing Uses			
Transfers to other funds	6,964	11,409	12,550
Total Other Financing Uses	6,964	11,409	12,550
Total Expenditures and Other Financing Uses	55,539	61,689	64,086
Fund Balance June 30	226,415	258,716	291,624

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1996 Environmental Cleanup Fund (P.L. 1996, c.70)			
Fund Balance July 1	5,267	3,988	2,629
Revenues			
Investment earnings	97	141	81
Total Revenues	97	141	81
Total Available	5,364	4,129	2,710
Expenditures			
Community development and environmental management	1,181	1,500	2,500
Government direction, management, and control	195	--	--
Total Expenditures	1,376	1,500	2,500
Fund Balance June 30	3,988	2,629	210
1989 Farmland Preservation Fund (P.L. 1989, c.183)			
Fund Balance July 1	185	149	150
Revenues			
Investment earnings	3	5	5
Total Revenues	3	5	5
Total Available	188	154	155
Expenditures			
Community development and environmental management	39	4	--
Total Expenditures	39	4	--
Fund Balance June 30	149	150	155
1992 Farmland Preservation Fund (P.L. 1992, c.88)			
Fund Balance July 1	2,182	1,868	493
Revenues			
Investment earnings	49	41	13
Total Revenues	49	41	13
Total Available	2,231	1,909	506
Expenditures			
Community development and environmental management	298	1,416	261
Total Expenditures	298	1,416	261
Other Financing Uses			
Transfers to other funds	65	--	--
Total Other Financing Uses	65	--	--
Total Expenditures and Other Financing Uses	363	1,416	261
Fund Balance June 30	1,868	493	245

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1995 Farmland Preservation Bond Fund (P.L. 1995, c.204)			
Fund Balance July 1	9,396	8,258	3,652
Revenues			
Investment earnings	198	205	95
Total Revenues	198	205	95
Total Available	9,594	8,463	3,747
Expenditures			
Community development and environmental management	751	4,111	1,462
Total Expenditures	751	4,111	1,462
Other Financing Uses			
Transfers to other funds	585	700	415
Total Other Financing Uses	585	700	415
Total Expenditures and Other Financing Uses	1,336	4,811	1,877
Fund Balance June 30	8,258	3,652	1,870
Fund For Support of Free Public Schools (N.J.S.A. 18A:56-1)			
Fund Balance July 1	101,537	106,787	111,844
Revenues			
Licenses and fees	10,940	11,000	11,000
Investment earnings	1,985	2,822	2,822
Total Revenues	12,925	13,822	13,822
Total Available	114,462	120,609	125,666
Other Financing Uses			
Transfers to other funds	7,675	8,765	9,293
Total Other Financing Uses	7,675	8,765	9,293
Fund Balance June 30	106,787	111,844	116,373
Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)			
Fund Balance July 1	208,765	162,574	361,037
Revenues			
Investment earnings	3,942	9,006	11,552
Other	3,705	1,500	4,000
Total Revenues	7,647	10,506	15,552
Other Financing Sources			
Transfers from other funds	28,919	267,722	13,815
Total Other Financing Sources	28,919	267,722	13,815
Total Available	245,331	440,802	390,404
Expenditures			
Community development and environmental management	80,879	78,000	78,000
Total Expenditures	80,879	78,000	78,000
Other Financing Uses			
Transfers to other funds	1,878	1,765	1,765
Total Other Financing Uses	1,878	1,765	1,765
Total Expenditures and Other Financing Uses	82,757	79,765	79,765
Fund Balance June 30	162,574	361,037	310,639

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)			
Fund Balance July 1	246,690	182,555	593,738
Revenues			
Federal and other grants	6,001	--	--
Investment earnings	3,863	13,128	19,559
Other	464	1,479	1,479
Total Revenues	10,328	14,607	21,038
Other Financing Sources			
Transfers from other funds	43,378	476,583	20,722
Total Other Financing Sources	43,378	476,583	20,722
Total Available	300,396	673,745	635,498
Expenditures			
Community development and environmental management	112,562	75,000	75,000
Total Expenditures	112,562	75,000	75,000
Other Financing Uses			
Transfers to other funds	5,279	5,007	5,007
Total Other Financing Uses	5,279	5,007	5,007
Total Expenditures and Other Financing Uses	117,841	80,007	80,007
Fund Balance June 30	182,555	593,738	555,491
Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)			
Fund Balance July 1	20,474	21,405	23,083
Revenues			
Investment earnings	418	765	790
Total Revenues	418	765	790
Other Financing Sources			
Transfers from other funds	6,088	6,000	6,000
Total Other Financing Sources	6,088	6,000	6,000
Total Available	26,980	28,170	29,873
Expenditures			
Economic planning, development and security	4,935	4,470	6,213
Total Expenditures	4,935	4,470	6,213
Other Financing Uses			
Transfers to other funds	640	617	617
Total Other Financing Uses	640	617	617
Total Expenditures and Other Financing Uses	5,575	5,087	6,830
Fund Balance June 30	21,405	23,083	23,043
Green Trust Fund (P.L. 1983, c.354)			
Fund Balance July 1	85,960	83,212	80,612
Revenues			
Investment earnings	209	300	300
Other	1,371	1,400	1,400
Total Revenues	1,580	1,700	1,700
Total Available	87,540	84,912	82,312
Expenditures			
Community development and environmental management	4,328	4,300	4,300
Total Expenditures	4,328	4,300	4,300
Fund Balance June 30	83,212	80,612	78,012

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Hazardous Discharge Fund of 1981 (P.L. 1981, c. 275)			
Fund Balance July 1	181	181	181
Revenues			
Investment earnings	4	7	7
Total Revenues	4	7	7
Total Available	185	188	188
Other Financing Uses			
Transfers to other funds	4	7	7
Total Other Financing Uses	4	7	7
Total Expenditures and Other Financing Uses	4	7	7
Fund Balance June 30	181	181	181
Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)			
Fund Balance July 1	13,379	13,616	15,162
Revenues			
Investment earnings	338	546	550
Total Revenues	338	546	550
Other Financing Sources			
Transfers from other funds	8,564	12,000	12,000
Total Other Financing Sources	8,564	12,000	12,000
Total Available	22,281	26,162	27,712
Expenditures			
Community development and environmental management	8,662	11,000	11,000
Government direction, management, and control	3	--	--
Total Expenditures	8,665	11,000	11,000
Fund Balance June 30	13,616	15,162	16,712
Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)			
Fund Balance July 1	78,430	88,945	81,021
Revenues			
Services and assessments	22,122	16,750	16,800
Investment earnings	1,882	3,200	3,200
Total Revenues	24,004	19,950	20,000
Other Financing Sources			
Transfers from other funds	16,420	4,000	4,000
Total Other Financing Sources	16,420	4,000	4,000
Total Available	118,854	112,895	105,021
Expenditures			
Community development and environmental management	6,156	11,350	5,850
Total Expenditures	6,156	11,350	5,850
Other Financing Uses			
Transfers to other funds	23,753	20,524	20,467
Total Other Financing Uses	23,753	20,524	20,467
Total Expenditures and Other Financing Uses	29,909	31,874	26,317
Fund Balance June 30	88,945	81,021	78,704

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Health Care Subsidy Fund (P.L. 1992, c. 160)			
Fund Balance July 1	342	14	2,625
Revenues			
Taxes	250,934	518,560	169,060
Services and assessments	116,521	117,687	117,687
Investment earnings	1,734	2,978	1,500
Total Revenues	369,189	639,225	288,247
Other Financing Sources			
Transfers from other funds	324,585	56,125	369,462
Total Other Financing Sources	324,585	56,125	369,462
Total Available	694,116	695,364	660,334
Expenditures			
Physical and mental health	1,000	--	--
Total Expenditures	1,000	--	--
Other Financing Uses			
Transfers to other funds	693,102	692,739	657,767
Total Other Financing Uses	693,102	692,739	657,767
Total Expenditures and Other Financing Uses	694,102	692,739	657,767
Fund Balance June 30	14	2,625	2,567
Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c. 126)			
Fund Balance July 1	1,058	882	40
Revenues			
Investment earnings	16	20	1
Total Revenues	16	20	1
Total Available	1,074	902	41
Expenditures			
Educational, cultural and intellectual development	192	862	41
Total Expenditures	192	862	41
Fund Balance June 30	882	40	--
1992 Historic Preservation Fund (P.L. 1992, c.88)			
Fund Balance July 1	61	42	1,077
Revenues			
Investment earnings	1	2	20
Total Revenues	1	2	20
Other Financing Sources			
Proceeds from sale of bonds	--	1,700	--
Total Other Financing Sources	--	1,700	--
Total Available	62	1,744	1,097
Expenditures			
Economic planning, development and security	20	667	656
Total Expenditures	20	667	656
Fund Balance June 30	42	1,077	441

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1995 Historic Preservation Fund (P.L. 1995, c.204)			
Fund Balance July 1	1,137	443	395
Revenues			
Investment earnings	11	4	1
Total Revenues	11	4	1
Other Financing Sources			
Proceeds from sale of bonds	--	500	--
Total Other Financing Sources	--	500	--
Total Available	1,148	947	396
Expenditures			
Economic planning, development and security	666	552	113
Government direction, management, and control	39	--	--
Total Expenditures	705	552	113
Fund Balance June 30	443	395	283
Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)			
Fund Balance July 1	3,905	3,990	4,123
Revenues			
Investment earnings	76	126	128
Other	9	7	--
Total Revenues	85	133	128
Total Available	3,990	4,123	4,251
Fund Balance June 30	3,990	4,123	4,251
Horse Racing Injury Compensation Fund (P.L. 1995, c.329)			
Fund Balance July 1	4,871	4,504	4,552
Revenues			
Services and assessments	315	700	750
Investment earnings	95	148	146
Total Revenues	410	848	896
Total Available	5,281	5,352	5,448
Expenditures			
Public safety and criminal justice	777	800	800
Total Expenditures	777	800	800
Fund Balance June 30	4,504	4,552	4,648
Housing Assistance Fund (P.L. 1968, c.127)			
Fund Balance July 1	6,700	6,916	2,963
Revenues			
Investment earnings	90	149	10
Other	126	130	130
Total Revenues	216	279	140
Total Available	6,916	7,195	3,103
Expenditures			
Community development and environmental management	--	4,000	--
Total Expenditures	--	4,000	--
Other Financing Uses			
Transfers to other funds	--	232	140
Total Other Financing Uses	--	232	140
Total Expenditures and Other Financing Uses	--	4,232	140
Fund Balance June 30	6,916	2,963	2,963

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)			
Fund Balance July 1	6,351	6,045	553
Revenues			
Investment earnings	147	175	15
Total Revenues	147	175	15
Total Available	6,498	6,220	568
Expenditures			
Educational, cultural and intellectual development	306	5,492	289
Total Expenditures	306	5,492	289
Other Financing Uses			
Transfers to other funds	147	175	15
Total Other Financing Uses	147	175	15
Total Expenditures and Other Financing Uses	453	5,667	304
Fund Balance June 30	6,045	553	264
Jobs, Science and Technology Fund (P.L. 1984, c.99)			
Fund Balance July 1	27	24	18
Total Available	27	24	18
Expenditures			
Educational, cultural and intellectual development	3	6	6
Total Expenditures	3	6	6
Fund Balance June 30	24	18	12
Korean Veterans' Memorial Fund (P.L. 1996, c.72)			
Fund Balance July 1	(1,021)	(1,000)	--
Revenues			
Contributions	21	--	--
Other	--	1,000	--
Total Revenues	21	1,000	--
Total Available	(1,000)	--	--
Fund Balance June 30	(1,000)	--	--
1996 Lake Restoration Fund (P.L. 1996, c.70)			
Fund Balance July 1	2,526	2,463	2,408
Revenues			
Investment earnings	30	45	46
Other	3	--	--
Total Revenues	33	45	46
Total Available	2,559	2,508	2,454
Expenditures			
Community development and environmental management	96	100	100
Total Expenditures	96	100	100
Fund Balance June 30	2,463	2,408	2,354

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Lead Hazard Control Assistance Fund (P.L. 2003, c.311)			
Fund Balance July 1	2,000	1,930	4,995
Revenues			
Investment earnings	59	65	67
Other	--	500	1,000
Total Revenues	59	565	1,067
Other Financing Sources			
Transfers from other funds	3,300	10,000	10,000
Total Other Financing Sources	3,300	10,000	10,000
Total Available	5,359	12,495	16,062
Expenditures			
Community development and environmental management	363	7,000	11,500
Total Expenditures	363	7,000	11,500
Other Financing Uses			
Transfers to other funds	3,066	500	680
Total Other Financing Uses	3,066	500	680
Total Expenditures and Other Financing Uses	3,429	7,500	12,180
Fund Balance June 30	1,930	4,995	3,882
Legal Services Fund (P.L. 1996, c.52)			
Fund Balance July 1	--	--	--
Revenues			
Licenses and fees	9,791	10,410	10,410
Total Revenues	9,791	10,410	10,410
Total Available	9,791	10,410	10,410
Other Financing Uses			
Transfers to other funds	9,791	10,410	10,410
Total Other Financing Uses	9,791	10,410	10,410
Fund Balance June 30	--	--	--
Luxury Tax Fund (N.J.S. A. 40:48-8.30a(B), (P.L. 1991, c.375)			
Fund Balance July 1	1,872	1,874	1,376
Revenues			
Taxes	26,645	27,500	29,000
Investment earnings	2	2	3
Total Revenues	26,647	27,502	29,003
Total Available	28,519	29,376	30,379
Expenditures			
Government direction, management, and control	26,645	28,000	29,000
Total Expenditures	26,645	28,000	29,000
Fund Balance June 30	1,874	1,376	1,379

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)			
Fund Balance July 1	--	15,472	--
Revenues			
Services and assessments	21,005	21,300	21,300
Investment earnings	293	900	1,000
Total Revenues	21,298	22,200	22,300
Total Available	21,298	37,672	22,300
Expenditures			
Economic planning, development and security	202	32,009	16,637
Government direction, management, and control	63	63	63
Total Expenditures	265	32,072	16,700
Other Financing Uses			
Transfers to other funds	5,561	5,600	5,600
Total Other Financing Uses	5,561	5,600	5,600
Total Expenditures and Other Financing Uses	5,826	37,672	22,300
Fund Balance June 30	15,472	--	--
Mortgage Assistance Fund (P.L. 1976, c.94)			
Fund Balance July 1	13,826	13,826	11,426
Revenues			
Investment earnings	57	71	20
Other	689	690	695
Total Revenues	746	761	715
Total Available	14,572	14,587	12,141
Expenditures			
Community development and environmental management	--	2,400	--
Total Expenditures	--	2,400	--
Other Financing Uses			
Transfers to other funds	746	761	715
Total Other Financing Uses	746	761	715
Total Expenditures and Other Financing Uses	746	3,161	715
Fund Balance June 30	13,826	11,426	11,426
Motor Vehicle Surcharge Securitization Fund (P.L. 2004, c.70)			
Fund Balance July 1	--	--	--
Other Financing Sources			
Other	839,607	--	--
Total Other Financing Sources	839,607	--	--
Total Available	839,607	--	--
Expenditures			
Government direction, management, and control	99,607	--	--
Total Expenditures	99,607	--	--
Other Financing Uses			
Transfers to other funds	740,000	--	--
Total Other Financing Uses	740,000	--	--
Total Expenditures and Other Financing Uses	839,607	--	--
Fund Balance June 30	--	--	--

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)			
Fund Balance July 1	40	61	61
Revenues			
Other	226	1,062	1,100
Total Revenues	226	1,062	1,100
Total Available	266	1,123	1,161
Expenditures			
Community development and environmental management	205	1,062	1,150
Total Expenditures	205	1,062	1,150
Fund Balance June 30	61	61	11
Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)			
Fund Balance July 1	10,000	--	--
Revenues			
Services and assessments	76	--	--
Investment earnings	154	--	--
Total Revenues	230	--	--
Total Available	10,230	--	--
Expenditures			
Economic planning, development and security	1,945	--	--
Total Expenditures	1,945	--	--
Other Financing Uses			
Transfers to other funds	8,285	--	--
Total Other Financing Uses	8,285	--	--
Total Expenditures and Other Financing Uses	10,230	--	--
Fund Balance June 30	--	--	--
Natural Resources Fund (P.L. 1980, c.70)			
Fund Balance July 1	4,617	3,502	2,375
Revenues			
Investment earnings	77	90	53
Other	1	573	--
Total Revenues	78	663	53
Total Available	4,695	4,165	2,428
Expenditures			
Community development and environmental management	823	1,700	1,700
Government direction, management, and control	292	--	--
Total Expenditures	1,115	1,700	1,700
Other Financing Uses			
Transfers to other funds	78	90	53
Total Other Financing Uses	78	90	53
Total Expenditures and Other Financing Uses	1,193	1,790	1,753
Fund Balance June 30	3,502	2,375	675

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Home Warranty Security Fund (N.J.S.A. 46:3B-7)			
Fund Balance July 1	34,790	39,636	22,929
Revenues			
Licenses and fees	1,007	1,000	1,000
Services and assessments	8,285	8,250	8,250
Investment earnings	852	1,159	913
Other	117	200	200
Total Revenues	10,261	10,609	10,363
Total Available	45,051	50,245	33,292
Expenditures			
Community development and environmental management	1,481	2,500	3,000
Total Expenditures	1,481	2,500	3,000
Other Financing Uses			
Transfers to other funds	3,934	24,816	5,000
Total Other Financing Uses	3,934	24,816	5,000
Total Expenditures and Other Financing Uses	5,415	27,316	8,000
Fund Balance June 30	39,636	22,929	25,292
1995 New Jersey Coastal Blue Acres Fund (P.L. 1995, c.204)			
Fund Balance July 1	3,371	3,352	2,958
Revenues			
Investment earnings	49	76	64
Other	29	30	30
Total Revenues	78	106	94
Total Available	3,449	3,458	3,052
Expenditures			
Community development and environmental management	--	500	500
Government direction, management, and control	97	--	--
Total Expenditures	97	500	500
Fund Balance June 30	3,352	2,958	2,552
New Jersey Cultural Trust (P.L. 2000, c.76)			
Fund Balance July 1	20,685	21,453	22,173
Revenues			
Investment earnings	432	750	900
Total Revenues	432	750	900
Other Financing Sources			
Transfers from other funds	726	720	720
Total Other Financing Sources	726	720	720
Total Available	21,843	22,923	23,793
Expenditures			
Government direction, management, and control	390	750	900
Total Expenditures	390	750	900
Fund Balance June 30	21,453	22,173	22,893

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1983 New Jersey Green Acres Fund (P.L. 1983, c.354)			
Fund Balance July 1	19,690	19,690	19,643
Revenues			
Investment earnings	436	675	680
Total Revenues	436	675	680
Total Available	20,126	20,365	20,323
Expenditures			
Community development and environmental management	--	47	47
Total Expenditures	--	47	47
Other Financing Uses			
Transfers to other funds	436	675	680
Total Other Financing Uses	436	675	680
Total Expenditures and Other Financing Uses	436	722	727
Fund Balance June 30	19,690	19,643	19,596
1989 New Jersey Green Acres Fund (P.L. 1989, c.183)			
Fund Balance July 1	5,317	5,408	5,293
Revenues			
Investment earnings	111	185	190
Total Revenues	111	185	190
Total Available	5,428	5,593	5,483
Expenditures			
Community development and environmental management	20	300	400
Total Expenditures	20	300	400
Fund Balance June 30	5,408	5,293	5,083
1992 New Jersey Green Acres Fund (P.L. 1992, c. 88)			
Fund Balance July 1	1,762	1,742	1,599
Revenues			
Investment earnings	37	57	50
Total Revenues	37	57	50
Total Available	1,799	1,799	1,649
Expenditures			
Community development and environmental management	57	200	200
Total Expenditures	57	200	200
Fund Balance June 30	1,742	1,599	1,449
1995 New Jersey Green Acres Fund (P.L. 1995, c. 204)			
Fund Balance July 1	6,570	4,250	2,850
Revenues			
Investment earnings	90	100	70
Total Revenues	90	100	70
Other Financing Sources			
Transfers from other funds	780	--	--
Total Other Financing Sources	780	--	--
Total Available	7,440	4,350	2,920
Expenditures			
Community development and environmental management	2,898	1,500	2,000
Government direction, management, and control	292	--	--
Total Expenditures	3,190	1,500	2,000
Fund Balance June 30	4,250	2,850	920

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1989 New Jersey Green Trust Fund (P.L. 1989, c.183)			
Fund Balance July 1	93,794	95,389	94,789
Revenues			
Investment earnings	678	1,200	1,200
Other	1,323	1,400	1,400
Total Revenues	2,001	2,600	2,600
Total Available	95,795	97,989	97,389
Expenditures			
Community development and environmental management	406	3,200	3,200
Total Expenditures	406	3,200	3,200
Fund Balance June 30	95,389	94,789	94,189
1992 New Jersey Green Trust Fund (P.L. 1992, c. 88)			
Fund Balance July 1	56,336	55,676	54,876
Revenues			
Investment earnings	430	600	600
Other	679	700	700
Total Revenues	1,109	1,300	1,300
Total Available	57,445	56,976	56,176
Expenditures			
Community development and environmental management	913	2,100	2,100
Government direction, management, and control	856	--	--
Total Expenditures	1,769	2,100	2,100
Fund Balance June 30	55,676	54,876	54,076
1995 New Jersey Green Trust Fund (P.L. 1995, c. 204)			
Fund Balance July 1	76,909	76,799	76,049
Revenues			
Investment earnings	543	750	750
Other	917	1,000	1,000
Total Revenues	1,460	1,750	1,750
Total Available	78,369	78,549	77,799
Expenditures			
Community development and environmental management	559	2,500	2,500
Government direction, management, and control	1,011	--	--
Total Expenditures	1,570	2,500	2,500
Fund Balance June 30	76,799	76,049	75,299
1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)			
Fund Balance July 1	1,392	1,208	999
Revenues			
Investment earnings	26	41	40
Total Revenues	26	41	40
Total Available	1,418	1,249	1,039
Expenditures			
Community development and environmental management	210	250	250
Total Expenditures	210	250	250
Fund Balance June 30	1,208	999	789

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c. 12)			
Fund Balance July 1	22,669	24,780	2,205
Revenues			
Investment earnings	521	832	77
Total Revenues	521	832	77
Other Financing Sources			
Transfers from other funds	1,897	--	--
Total Other Financing Sources	1,897	--	--
Total Available	25,087	25,612	2,282
Expenditures			
Economic planning, development, and security	307	23,407	--
Total Expenditures	307	23,407	--
Fund Balance June 30	24,780	2,205	2,282
New Jersey Lawyers' Assistance Program (R. 1:28 B)			
Fund Balance July 1	407	395	264
Revenues			
Investment earnings	401	332	332
Other	9	10	10
Total Revenues	410	342	342
Total Available	817	737	606
Expenditures			
Public safety and criminal justice	422	473	473
Total Expenditures	422	473	473
Fund Balance June 30	395	264	133
New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)			
Fund Balance July 1	14,344	12,647	12,660
Revenues			
Licenses and fees	3,238	3,579	3,579
Investment earnings	144	145	145
Other	617	625	625
Total Revenues	3,999	4,349	4,349
Total Available	18,343	16,996	17,009
Expenditures			
Public safety and criminal justice	5,696	4,336	4,336
Total Expenditures	5,696	4,336	4,336
Fund Balance June 30	12,647	12,660	12,673
New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)			
Fund Balance July 1	49,659	47,838	47,704
Revenues			
Licenses and fees	29	31	31
Investment earnings	369	600	610
Other	1,021	1,185	1,200
Total Revenues	1,419	1,816	1,841
Total Available	51,078	49,654	49,545
Expenditures			
Economic planning, development and security	3,240	1,950	2,200
Total Expenditures	3,240	1,950	2,200
Fund Balance June 30	47,838	47,704	47,345

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Racing Industry Special Fund (P.L. 2001, c.199)			
Fund Balance July 1	1,179	4,936	4,597
Revenues			
Services and assessments	2,810	600	600
Investment earnings	17	28	10
Other	1,638	5,569	5,800
Total Revenues	4,465	6,197	6,410
Total Available	5,644	11,133	11,007
Expenditures			
Public safety and criminal justice	708	6,536	6,000
Total Expenditures	708	6,536	6,000
Fund Balance June 30	4,936	4,597	5,007
New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)			
Fund Balance July 1	11,074	8,241	8,641
Revenues			
Taxes	28,192	24,000	24,000
Licenses and fees	6,611	5,500	5,000
Investment earnings	578	900	900
Other	1,047	1,900	1,900
Total Revenues	36,428	32,300	31,800
Total Available	47,502	40,541	40,441
Expenditures			
Community development and environmental management	5,297	3,000	2,000
Total Expenditures	5,297	3,000	2,000
Other Financing Uses			
Transfers to other funds	33,964	28,900	29,400
Total Other Financing Uses	33,964	28,900	29,400
Total Expenditures and Other Financing Uses	39,261	31,900	31,400
Fund Balance June 30	8,241	8,641	9,041
New Jersey Spinal Cord Research Fund (P.L. 1999, c. 201)			
Fund Balance July 1	13,235	14,585	12,465
Revenues			
Investment earnings	320	501	415
Other	4,038	3,600	3,600
Total Revenues	4,358	4,101	4,015
Total Available	17,593	18,686	16,480
Expenditures			
Physical and mental health	2,510	5,500	6,500
Total Expenditures	2,510	5,500	6,500
Other Financing Uses			
Transfers to other funds	498	721	750
Total Other Financing Uses	498	721	750
Total Expenditures and Other Financing Uses	3,008	6,221	7,250
Fund Balance June 30	14,585	12,465	9,230

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Workforce Development Partnership Fund (P.L. 1992, c. 44)			
Fund Balance July 1	62,567	67,631	63,455
Revenues			
Taxes	89,993	92,400	97,400
Investment earnings	1,194	2,090	1,650
Total Revenues	91,187	94,490	99,050
Total Available	153,754	162,121	162,505
Expenditures			
Economic planning, development, and security	44,690	45,900	45,900
Total Expenditures	44,690	45,900	45,900
Other Financing Uses			
Transfers to other funds	41,433	52,766	42,766
Total Other Financing Uses	41,433	52,766	42,766
Total Expenditures and Other Financing Uses	86,123	98,666	88,666
Fund Balance June 30	67,631	63,455	73,839
Petroleum Overcharge Reimbursement Fund (P.L. 1987,c.231)			
Fund Balance July 1	14,234	13,001	7,128
Revenues			
Investment earnings	200	312	98
Total Revenues	200	312	98
Total Available	14,434	13,313	7,226
Expenditures			
Community development and environmental management	237	--	--
Economic planning, development, and security	2	--	--
Government direction, management, and control	1,194	6,185	833
Total Expenditures	1,433	6,185	833
Fund Balance June 30	13,001	7,128	6,393
Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)			
Fund Balance July 1	9,431	9,700	10,022
Revenues			
Investment earnings	93	159	167
Other	177	168	170
Total Revenues	270	327	337
Total Available	9,701	10,027	10,359
Expenditures			
Community development and environmental management	1	5	5
Total Expenditures	1	5	5
Fund Balance June 30	9,700	10,022	10,354
Pollution Prevention Fund (P.L. 1991, c. 235)			
Fund Balance July 1	1,087	1,013	898
Revenues			
Services and assessments	2,066	1,620	1,620
Investment earnings	28	40	28
Total Revenues	2,094	1,660	1,648
Total Available	3,181	2,673	2,546
Other Financing Uses			
Transfers to other funds	2,168	1,775	1,775
Total Other Financing Uses	2,168	1,775	1,775
Fund Balance June 30	1,013	898	771

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Real Estate Guaranty Fund (N.J.S.A. 45:15-34)			
Fund Balance July 1	1,342	1,458	1,513
Revenues			
Licenses and fees	140	130	130
Investment earnings	22	25	25
Total Revenues	162	155	155
Total Available	1,504	1,613	1,668
Expenditures			
Economic planning, development, and security	46	100	100
Total Expenditures	46	100	100
Fund Balance June 30	1,458	1,513	1,568
Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)			
Fund Balance July 1	562	574	593
Revenues			
Investment earnings	12	19	20
Total Revenues	12	19	20
Total Available	574	593	613
Fund Balance June 30	574	593	613
Retail Margin Fund (P.L. 1999, c.23)			
Fund Balance July 1	--	--	18
Revenues			
Investment earnings	--	18	172
Other	--	2,055	11,000
Total Revenues	--	2,073	11,172
Total Available	--	2,073	11,190
Expenditures			
Government direction, management, and control	--	2,055	10,120
Total Expenditures	--	2,055	10,120
Fund Balance June 30	--	18	1,070
Safe Drinking Water Fund (N.J.S.A. 58:12A-12)			
Fund Balance July 1	1,844	529	461
Revenues			
Taxes	2,508	3,300	3,300
Investment earnings	44	30	16
Total Revenues	2,552	3,330	3,316
Total Available	4,396	3,859	3,777
Expenditures			
Community development and environmental management	392	230	200
Total Expenditures	392	230	200
Other Financing Uses			
Transfers to other funds	3,475	3,168	3,168
Total Other Financing Uses	3,475	3,168	3,168
Total Expenditures and Other Financing Uses	3,867	3,398	3,368
Fund Balance June 30	529	461	409

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)			
Fund Balance July 1	11,412	13,723	16,173
Revenues			
Services and assessments	2,252	2,200	2,200
Investment earnings	265	500	600
Total Revenues	2,517	2,700	2,800
Total Available	13,929	16,423	18,973
Expenditures			
Community development and environmental management	206	250	250
Total Expenditures	206	250	250
Other Financing Uses			
Transfers to other funds	--	--	5,000
Total Other Financing Uses	--	--	5,000
Total Expenditures and Other Financing Uses	206	250	5,250
Fund Balance June 30	13,723	16,173	13,723
Shore Protection Fund (P.L. 1983, c. 356)			
Fund Balance July 1	11,086	11,086	10,786
Revenues			
Investment earnings	224	357	345
Other	130	100	100
Total Revenues	354	457	445
Total Available	11,440	11,543	11,231
Expenditures			
Community development and environmental management	--	300	300
Total Expenditures	--	300	300
Other Financing Uses			
Transfers to other funds	354	457	445
Total Other Financing Uses	354	457	445
Total Expenditures and Other Financing Uses	354	757	745
Fund Balance June 30	11,086	10,786	10,486
State Disability Benefit Fund (N.J.S.A. 43:21-46a)			
Fund Balance July 1	218,182	154,479	189,079
Revenue			
Taxes	497,338	510,000	537,000
Services and assessments	33,262	34,000	35,000
Investment earnings	1,778	2,200	2,200
Other	1,363	100	100
Total Revenues	533,741	546,300	574,300
Total Available	751,923	700,779	763,379
Expenditures			
Economic planning, development and security	453,654	477,000	498,500
Total Expenditures	453,654	477,000	498,500
Other Financing Uses			
Transfers to other funds	143,790	34,700	86,647
Total Other Financing Uses	143,790	34,700	86,647
Total Expenditures and Other Financing Uses	597,444	511,700	585,147
Fund Balance June 30	154,479	189,079	178,232

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
State Land Acquisition and Development Fund (P.L. 1978, c. 118)			
Fund Balance July 1	416	257	107
Revenues			
Investment earnings	7	6	3
Total Revenues	7	6	3
Total Available	423	263	110
Expenditures			
Community development and environmental management	159	150	107
Total Expenditures	159	150	107
Other Financing Uses			
Transfers to other funds	7	6	3
Total Other Financing Uses	7	6	3
Total Expenditures and Other Financing Uses	166	156	110
Fund Balance June 30	257	107	--
State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)			
Fund Balance July 1	899	899	749
Revenues			
Investment earnings	19	29	25
Total Revenues	19	29	25
Total Available	918	928	774
Expenditures			
Community development and environmental management	--	150	150
Total Expenditures	--	150	150
Other Financing Uses			
Transfers to other funds	19	29	25
Total Other Financing Uses	19	29	25
Total Expenditures and Other Financing Uses	19	179	175
Fund Balance June 30	899	749	599
State Recycling Fund (N.J.S.A. 12:1E-92)			
Fund Balance July 1	6,534	5,587	5,785
Revenues			
Investment earnings	63	138	136
Other	73	60	60
Total Revenues	136	198	196
Other Financing Sources			
Transfers from other funds	3,701	3,857	3,625
Total Other Financing Sources	3,701	3,857	3,625
Total Available	10,371	9,642	9,606
Expenditures			
Community development and environmental management	3,697	3,857	3,625
Total Expenditures	3,697	3,857	3,625
Other Financing Uses			
Transfers to other funds	1,087	--	--
Total Other Financing Uses	1,087	--	--
Total Expenditures and Other Financing Uses	4,784	3,857	3,625
Fund Balance June 30	5,587	5,785	5,981

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)			
Fund Balance July 1	24,054	--	--
Revenues			
Services and assessment	22,364	--	--
Investment earnings	450	--	--
Total Revenues	22,814	--	--
Total Available	46,868	--	--
Expenditures			
Economic planning, development, and security	34,168	--	--
Total Expenditures	34,168	--	--
Other Financing Uses			--
Transfers to other funds	12,700	--	--
Total Other Financing Uses	12,700	--	--
Total Expenditures and Other Financing Uses	46,868	--	--
Fund Balance June 30	--	--	--
Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c. 181)			
Fund Balance July 1	3,223	1,402	3,934
Revenues			
Investment earnings	48	32	100
Total Revenues	48	32	100
Other Financing Sources			
Proceeds from sale of bonds	--	4,000	--
Total Other Financing Sources	--	4,000	--
Total Available	3,271	5,434	4,034
Expenditures			
Community development and environmental management	1,869	1,500	1,500
Total Expenditures	1,869	1,500	1,500
Fund Balance June 30	1,402	3,934	2,534
Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)			
Fund Balance July 1	1,253	1,261	1,261
Revenues			
Investment earnings	5,332	5,300	5,300
Total Revenues	5,332	5,300	5,300
Total Available	6,585	6,561	6,561
Expenditures			
Public safety and criminal justice	5,324	5,300	5,300
Total Expenditures	5,324	5,300	5,300
Fund Balance June 30	1,261	1,261	1,261

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Supplemental Workforce Fund for Basic Skills (P.L.2001, c.152)			
Fund Balance July 1	29,020	33,807	30,019
Revenues			
Taxes	25,529	25,800	27,300
Investment earnings	557	912	498
Total Revenues	26,086	26,712	27,798
Total Available	55,106	60,519	57,817
Expenditures			
Public safety and criminal justice	68	--	--
Economic planning, development and security	19,411	28,500	26,600
Total Expenditures	19,479	28,500	26,600
Other Financing Uses			--
Transfers to other funds	1,820	2,000	2,000
Total Other Financing Uses	1,820	2,000	2,000
Total Expenditures and Other Financing Uses	21,299	30,500	28,600
Fund Balance June 30	33,807	30,019	29,217
Tobacco Settlement Fund			
Fund Balance July 1	16,345	18,082	5,600
Revenues			
Investment earnings	385	440	196
Other	1,352	--	--
Total Revenues	1,737	440	196
Total Available	18,082	18,522	5,796
Other Financing Uses			
Transfers to other funds	--	12,922	196
Total Other Financing Uses	--	12,922	196
Fund Balance June 30	18,082	5,600	5,600
Trial Attorney Certification Program (R. 1:39-1(h))			
Fund Balance July 1	103	104	93
Revenues			
Licenses and fees	235	243	244
Investment earnings	4	4	3
Other	4	4	4
Total Revenues	243	251	251
Total Available	346	355	344
Expenditures			
Public safety and criminal justice	242	262	262
Total Expenditures	242	262	262
Fund Balance June 30	104	93	82

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Unclaimed Child Support Trust Fund (P.L. 1995, c.115)			
Fund Balance July 1	2,187	2,286	2,377
Revenues			
Investment earnings	42	70	70
Other	61	31	32
Total Revenues	103	101	102
Total Available	2,290	2,387	2,479
Expenditures			
Government direction, management, and control	4	10	10
Total Expenditures	4	10	10
Fund Balance June 30	2,286	2,377	2,469
Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)			
Fund Balance July 1	3,164	4,080	4,965
Revenues			
Investment earnings	41	160	165
Other	3,434	3,605	3,500
Total Revenues	3,475	3,765	3,665
Total Available	6,639	7,845	8,630
Expenditures			
Government direction, management, and control	2,518	2,720	2,745
Total Expenditures	2,518	2,720	2,745
Other Financing Uses			
Transfers to other funds	41	160	165
Total Other Financing Uses	41	160	165
Total Expenditures and Other Financing Uses	2,559	2,880	2,910
Fund Balance June 30	4,080	4,965	5,720
Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)			
Fund Balance July 1	932	3,075	5,241
Revenues			
Investment earnings	228	443	480
Other	19,995	20,430	20,600
Total Revenues	20,223	20,873	21,080
Total Available	21,155	23,948	26,321
Expenditures			
Economic planning, development, and security	550	550	550
Total Expenditures	550	550	550
Other Financing Uses			
Transfers to other funds	17,530	18,157	22,847
Total Other Financing Uses	17,530	18,157	22,847
Total Expenditures and Other Financing Uses	18,080	18,707	23,397
Fund Balance June 30	3,075	5,241	2,924

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Universal Services Fund (P.L. 1999, c.23)			
Fund Balance July 1	610	--	--
Revenues			
Services and assessments	70,284	72,855	73,000
Investment earnings	754	1,801	1,800
Total Revenues	71,038	74,656	74,800
Total Available	71,648	74,656	74,800
Other Financing Uses			
Transfers to other funds	71,648	74,656	74,800
Total Other Financing Uses	71,648	74,656	74,800
Fund Balance June 30	--	--	--
 University of Medicine and Dentistry of New Jersey - Self Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)			
Fund Balance July 1	94	1,801	1,672
Revenues			
Services and assessments	6,668	6,858	6,900
Investment earnings	203	150	175
Total Revenues	6,871	7,008	7,075
Other Financing Sources			
Transfers from other funds	17,300	18,000	18,000
Total Other Financing Sources	17,300	18,000	18,000
Total Available	24,265	26,809	26,747
Expenditures			
Economic planning, development, and security	22,464	25,137	21,000
Total Expenditures	22,464	25,137	21,000
Fund Balance June 30	1,801	1,672	5,747
 Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)			
Fund Balance July 1	20,347	20,558	20,840
Revenues			
Investment earnings	192	262	184
Other	19	20	25
Total Revenues	211	282	209
Total Available	20,558	20,840	21,049
Fund Balance June 30	20,558	20,840	21,049
 Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)			
Fund Balance July 1	15	79	15
Revenues			
Contributions	177	25	25
Total Revenues	177	25	25
Total Available	192	104	40
Expenditures			
Special government services	113	89	25
Total Expenditures	113	89	25
Fund Balance June 30	79	15	15

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c. 8)			
Fund Balance July 1	3,000	3,051	3,121
Revenues			
Investment earnings	24	40	40
Other	27	30	30
Total Revenues	51	70	70
Total Available	3,051	3,121	3,191
Fund Balance June 30	3,051	3,121	3,191
Wastewater Treatment Fund (P.L. 1985, c. 329)			
Fund Balance July 1	802,529	831,684	954,060
Revenues			
Federal and other grants	87,649	125,761	91,761
Investment earnings	8,725	14,500	15,000
Total Revenues	96,374	140,261	106,761
Total Available	898,903	971,945	1,060,821
Expenditures			
Community development and environmental management	58,414	9,551	12,000
Total Expenditures	58,414	9,551	12,000
Other Financing Uses			
Transfers to other funds	8,805	8,334	8,419
Total Other Financing Uses	8,805	8,334	8,419
Total Expenditures and Other Financing Uses	67,219	17,885	20,419
Fund Balance June 30	831,684	954,060	1,040,402
1992 Wastewater Treatment Fund (P.L. 1992, c. 88)			
Fund Balance July 1	29,617	29,590	29,920
Revenues			
Investment earnings	207	330	360
Total Revenues	207	330	360
Total Available	29,824	29,920	30,280
Expenditures			
Government direction, management and control	234	--	--
Total Expenditures	234	--	--
Fund Balance June 30	29,590	29,920	30,280
Water Conservation Fund (P.L. 1969, c. 127)			
Fund Balance July 1	1,185	795	595
Revenues			
Federal and other grants	390	--	--
Investment earnings	20	26	18
Other	11	11	6
Total Revenues	421	37	24
Total Available	1,606	832	619
Expenditures			
Community development and environmental management	--	200	200
Total Expenditures	--	200	200
Other Financing Uses			
Transfers to other funds	811	37	24
Total Other Financing Uses	811	37	24
Total Expenditures and Other Financing Uses	811	237	224
Fund Balance June 30	795	595	395

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	5,000
Revenues			
Investment earnings	4	--	--
Total Revenues	4	--	--
Other Financing Sources			
Proceeds from sale of bonds	--	5,000	5,000
Transfers from other funds	7	--	--
Total Other Financing Sources	7	5,000	5,000
Total Available	11	5,000	10,000
Expenditures			
Government direction, management, and control	11	--	--
Total Expenditures	11	--	--
Fund Balance June 30	--	5,000	10,000
2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	--
Other Financing Sources			
Proceeds from sale of bonds	--	5,000	--
Total Other Financing Sources	--	5,000	--
Total Available	--	5,000	--
Expenditures			
Community development and environmental management	--	5,000	--
Total Expenditures	--	5,000	--
Fund Balance June 30	--	--	--
Water Supply Fund (P.L. 1981, c. 261)			
Fund Balance July 1	171,889	172,095	133,062
Revenues			
Investment earnings	1,126	3,300	2,200
Other	3,984	2,005	2,000
Total Revenues	5,110	5,305	4,200
Total Available	176,999	177,400	137,262
Expenditures			
Community development and environmental management	899	40,000	30,000
Total Expenditures	899	40,000	30,000
Other Financing Uses			
Transfers to other funds	4,005	4,338	4,338
Total Other Financing Uses	4,005	4,338	4,338
Total Expenditures and Other Financing Uses	4,904	44,338	34,338
Fund Balance June 30	172,095	133,062	102,924

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Water Supply Replacement Trust Fund (P.L. 1988, c. 106)			
Fund Balance July 1	63	87	26
Revenues			
Investment earnings	1	2	--
Other	23	--	--
Total Revenues	24	2	--
Total Available	87	89	26
Expenditures			
Community development and environmental management	--	63	--
Total Expenditures	--	63	--
Fund Balance June 30	87	26	26
Worker and Community Right To Know Fund (P.L. 1983, c. 315)			
Fund Balance July 1	504	1,531	1,790
Revenues			
Services and assessments	4,366	4,000	4,000
Investment earnings	30	51	60
Total Revenues	4,396	4,051	4,060
Total Available	4,900	5,582	5,850
Other Financing Uses			
Transfers to other funds	3,369	3,792	3,792
Total Other Financing Uses	3,369	3,792	3,792
Fund Balance June 30	1,531	1,790	2,058
Workers Compensation Security Fund (P.L. 2004, c.179)			
Fund Balance July 1	--	18,180	3,680
Revenues			
Services and assessments	1,756	25,000	25,000
Investment earnings	42	500	150
Total Revenues	1,798	25,500	25,150
Other Financing Sources			
Transfers from other funds	20,985	--	--
Total Other Financing Sources	20,985	--	--
Total Available	22,783	43,680	28,830
Expenditures			
Economic planning, development and security	4,603	40,000	28,830
Total Expenditures	4,603	40,000	28,830
Fund Balance June 30	18,180	3,680	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES CAPITAL PROJECTS FUNDS

APPENDIX 1B (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Correctional Facilities Construction Fund (P.L. 1982, c. 120)			
Fund Balance July 1	597	589	574
Revenues			
Investment earnings	13	20	20
Total Revenues	13	20	20
Total Available	610	609	594
Expenditures			
Public safety and criminal justice	8	15	--
Total Expenditures	8	15	--
Other Financing Uses			
Transfers to other funds	13	20	20
Total Other Financing Uses	13	20	20
Total Expenditures and Other Financing Uses	21	35	20
Fund Balance June 30	589	574	574
Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)			
Fund Balance July 1	1,898	1,211	631
Revenues			
Investment earnings	38	32	13
Total Revenues	38	32	13
Total Available	1,936	1,243	644
Expenditures			
Public safety and criminal justice	318	148	502
Total Expenditures	318	148	502
Other Financing Uses			
Transfers to other funds	407	464	142
Total Other Financing Uses	407	464	142
Total Expenditures and Other Financing Uses	725	612	644
Fund Balance June 30	1,211	631	--
Energy Conservation Fund (P.L. 1980, c.68)			
Fund Balance July 1	293	279	647
Revenues			
Investment earnings	6	15	15
Total Revenues	6	15	15
Other Financing Sources			
Proceeds from sale of bonds	--	1,600	--
Total Other Financing Sources	--	1,600	--
Total Available	299	1,894	662
Expenditures			
Government direction, management and control	14	1,232	368
Total Expenditures	14	1,232	368
Other Financing Uses			
Transfers to other funds	6	15	15
Total Other Financing Uses	6	15	15
Total Expenditures and Other Financing Uses	20	1,247	383
Fund Balance June 30	279	647	279

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
CAPITAL PROJECTS FUNDS**

**APPENDIX 1B
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Human Services Facilities Construction Fund (P.L. 1984, c. 157)			
Fund Balance July 1	212	61	--
Revenues			
Investment earnings	2	1	--
Total Revenues	2	1	--
Total Available	214	62	--
Expenditures			
Educational, cultural, and intellectual development	151	61	--
Total Expenditures	151	61	--
Other Financing Uses			
Transfers to other funds	2	1	--
Total Other Financing Uses	2	1	--
Total Expenditures and Other Financing Uses	153	62	--
Fund Balance June 30	61	--	--
Motor Vehicle Commission Fund (P.L. 2003, c.13)			
Fund Balance July 1	145,438	129,161	103,461
Revenues			
Investment earnings	3,597	3,000	2,400
Total Revenues	3,597	3,000	2,400
Total Available	149,035	132,161	105,861
Expenditures			
Public safety and criminal justice	19,869	28,700	41,200
Government direction, management, and control	5	--	--
Total Expenditures	19,874	28,700	41,200
Fund Balance June 30	129,161	103,461	64,661
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c. 180)			
Fund Balance July 1	6,165	6,165	5,594
Revenues			
Investment earnings	137	223	196
Total Revenues	137	223	196
Total Available	6,302	6,388	5,790
Expenditures			
Transportation programs	--	571	571
Total Expenditures	--	571	571
Other Financing Uses			
Transfers to other funds	137	223	196
Total Other Financing Uses	137	223	196
Total Expenditures and Other Financing Uses	137	794	767
Fund Balance June 30	6,165	5,594	5,023
New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c. 363)			
Fund Balance July 1	6	--	--
Total Available	6	--	--
Expenditures			
Transportation programs	6	--	--
Total Expenditures	6	--	--
Fund Balance June 30	--	--	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES CAPITAL PROJECTS FUNDS

APPENDIX 1B (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c. 184)			
Fund Balance July 1	4,873	4,461	3,481
Revenues			
Investment earnings	103	159	120
Total Revenues	103	159	120
Total Available	4,976	4,620	3,601
Expenditures			
Public safety and criminal justice	215	980	3,022
Physical and mental health	162	--	--
Educational, cultural and intellectual development	10	--	--
Economic planning, development and security	25	--	--
Total Expenditures	412	980	3,022
Other Financing Uses			
Transfers to other funds	103	159	120
Total Other Financing Uses	103	159	120
Total Expenditures and Other Financing Uses	515	1,139	3,142
Fund Balance June 30	4,461	3,481	459
Public Purpose Buildings Construction Fund (P.L. 1980, c. 119)			
Fund Balance July 1	245	245	221
Revenues			
Investments earnings	3	8	8
Total Revenues	3	8	8
Total Available	248	253	229
Expenditures			
Educational, cultural, and intellectual development	--	24	133
Total Expenditures	--	24	133
Other Financing Uses			
Transfers to other funds	3	8	8
Total Other Financing Uses	3	8	8
Total Expenditures and Other Financing Uses	3	32	141
Fund Balance June 30	245	221	88
State Facilities for Handicapped Fund (P.L. 1973, c. 149)			
Fund Balance July 1	241	17	--
Revenues			
Investment earnings	5	1	--
Total Revenues	5	1	--
Total Available	246	18	--
Expenditures			
Educational, cultural, and intellectual development	229	18	--
Total Expenditures	229	18	--
Fund Balance June 30	17	--	--

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
CAPITAL PROJECTS FUNDS**

**APPENDIX 1B
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c. 181)			
Fund Balance July 1	58,041	38,319	21,011
Revenues			
Investment earnings	1,052	1,000	400
Total Revenues	1,052	1,000	400
Total Available	59,093	39,319	21,411
Expenditures			
Transportation programs	18,052	17,308	17,308
Government direction, management, and control	1,595	--	--
Total Expenditures	19,647	17,308	17,308
Other Financing Uses			
Transfers to other funds	1,127	1,000	400
Total Other Financing Uses	1,127	1,000	400
Total Expenditures and Other Financing Uses	20,774	18,308	17,708
Fund Balance June 30	38,319	21,011	3,703
Transportation Rehabilitation and Improvement Fund (P.L. 1979, c. 165)			
Fund Balance July 1	568	568	568
Revenues			
Investment earnings	7	11	11
Total Revenues	7	11	11
Total Available	575	579	579
Other Financing Uses			
Transfers to other funds	7	11	11
Total Other Financing Uses	7	11	11
Fund Balance June 30	568	568	568

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES PRIVATE PURPOSE TRUST FUNDS

APPENDIX 1C (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Insurance Annuity Trust Fund			
Fund Balance July 1	94	102	110
Revenues			
Investment earnings	2	2	2
Other	6	6	6
Total Revenues	8	8	8
Total Available	102	110	118
Fund Balance June 30	102	110	118
Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)			
Fund Balance July 1	--	--	--
Revenues			
Investment earnings	5	3	3
Total Revenues	5	3	3
Total Available	5	3	3
Other Financing Uses			
Transfers to other funds	5	3	3
Total Other Financing Uses	5	3	3
Fund Balance June 30	--	--	--
Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)			
Fund Balance July 1	3,748	4,062	4,391
Revenues			
Investment earnings	196	322	325
Other	348	437	437
Total Revenues	544	759	762
Total Available	4,292	4,821	5,153
Expenditures			
Government direction, management, and control	230	430	400
Total Expenditures	230	430	400
Fund Balance June 30	4,062	4,391	4,753
Unclaimed Insurance Payments on Deposit Accounts Fund			
Fund Balance July 1	1,941	1,807	1,664
Revenues			
Investment earnings	40	54	34
Total Revenues	40	54	34
Total Available	1,981	1,861	1,698
Expenditures			
Government direction, management, and control	134	143	1,459
Total Expenditures	134	143	1,459
Other Financing Uses			
Transfers to other funds	40	54	34
Total Other Financing Uses	40	54	34
Total Expenditures and Other Financing Uses	174	197	1,493
Fund Balance June 30	1,807	1,664	205

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES

PROPRIETARY FUNDS

APPENDIX 1D
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
State Lottery Fund (N.J.S.A. 5:9-21)			
Fund Balance July 1	21,102	13,470	12,020
Revenues			
Investment earnings	2,436	1,800	2,400
Other	2,305,716	2,392,900	2,343,865
Total Revenues	2,308,152	2,394,700	2,346,265
Total Available	2,329,254	2,408,170	2,358,285
Expenditures			
Government direction, management, and control	1,476,406	1,541,660	1,487,218
Total Expenditures	1,476,406	1,541,660	1,487,218
Other Finance Uses			
Transfers to other funds	839,378	854,490	857,900
Total Other Financing Uses	839,378	854,490	857,900
Total Expenditures and Other Finance Uses	2,315,784	2,396,150	2,345,118
Fund Balance June 30	13,470	12,020	13,167
Unemployment Compensation Fund (N.J.S.A. 43:21-9a)			
Fund Balance July 1	1,539,201	1,442,893	1,068,193
Revenue			
Federal and other grants	37,376	36,000	35,000
Services and assessments	1,763,904	1,484,000	1,959,000
Investment earnings	55,166	43,300	31,300
Other	4,395	5,000	1,000
Total Revenues	1,860,841	1,568,300	2,026,300
Total Available	3,400,042	3,011,193	3,094,493
Expenditures			
Economic planning, development and security	1,957,149	1,943,000	1,880,000
Total Expenditures	1,957,149	1,943,000	1,880,000
Fund Balance June 30	1,442,893	1,068,193	1,214,493

APPENDIX

STATE OF NEW JERSEY 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 Alcohol Beverage Excise Tax collections. The monies collected shall be dedicated as follows: 75% to alcohol rehabilitation, 15% to enforcement, and 10% to education.

Additionally, a \$40 fee 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 driving while intoxicated.

Atlantic City Parking Fees Fund (P.L. 1993, c.159)

Special Revenue Fund

P.L. 2003, c.116 imposes a \$3 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. One half of the revenue collected is to be made available to the Casino Reinvestment Development Authority. The remaining one half is deposited into the Casino Revenue Fund.

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 Atlantic City Convention and Visitors Authority. Amounts expended 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 of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Board of Bar Examiners (R. 1:27B1)

Special Revenue Fund

This fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

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. This fund also provides a source of repayment for such life safety improvement loans.

Body Armor Replacement Fund (P.L. 1997, c.177)

Special Revenue Fund

This fund is a repository for monies 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 established the Capital City Redevelopment Corporation to operate within the boundaries of the Trenton district. The Corporation plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

Casino Control Fund (N.J.S.A. 5:12-143)**Special Revenue Fund**

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

Casino Revenue Fund (N.J.S.A. 5:12-145)**Special Revenue Fund**

This 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, and a deduction for uncollectible gaming receivables. Appropriations from this fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

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 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 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.

Cigarette Tax Securitization Fund (P.L. 2004, c.68)**Special Revenue Fund**

This fund was established in order to receive bond proceeds from the New Jersey Economic Development Authority, which issued \$1.461 billion of Cigarette Tax Revenue Bonds. An amount of \$1.190 billion was transferred to the General Fund for expenditure of any lawful State purpose for which monies on deposit in the State's General Fund may be used. The remaining proceeds were transferred to the New Jersey Economic Development Authority in order to fund capitalized interest, a debt service reserve fund, and to pay for costs of issuance.

Clean Communities Account Fund (P.L. 1985, c.533)**Special Revenue Fund**

P.L. 2002, c.128, 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. The balance shall also be used for a State program of litter pickup and removal, and of enforcement of litter-related laws.

Clean Energy Fund (P.L. 1999, c.23)**Special Revenue Fund**

This fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

APPENDIX

Clean Waters Fund (P.L. 1976, c.92)

Special Revenue Fund

An amount of \$120 million of General Obligation bonds 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 of General Obligation bonds was authorized for the construction of new medium security prisons, county assistance programs, 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 of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)

Special Revenue Fund

An amount of \$100 million of General Obligation bonds was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair, or rehabilitation of State historic structures (\$25 million); and for providing 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).

2003 Dam, Lake, and Stream Project Revolving Loan Fund (P.L. 2003, Chapter 162)

Special Revenue Fund

An amount of \$110 million of General Obligation bonds was authorized to make low-interest loans to owners of dams, lakes or streams, or private lake associations. These loans fund dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects.

2003 Dam, Lake, Stream, and Flood Control Project Fund (P.L. 2003, Chapter 162)

Special Revenue Fund

An amount of \$40 million of General Obligation bonds was authorized to provide assistance, other than full or matching grants, to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects, and for State flood control projects or State dam restoration and repair projects.

1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds 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.

1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

Special Revenue Fund

General Obligation bonds, authorized in the amount of \$20 million, provide 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 amount of \$160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)**Special Revenue Fund**

This fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

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. Excess funds are available for transfer to the State's General Fund.

Dredging and Containment Facility Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$185 million of General Obligation bonds was authorized for the construction of sub-aqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million of General Obligation bond proceeds was authorized for the purpose of dredging 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 of General Obligation bonds 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 of General Obligation bonds 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**

Established in 1972, this fund reimburses 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 of General Obligation bonds was authorized, of which \$3 million is appropriated for energy audits and \$47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

APPENDIX

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 a gradual and geographically balanced introduction of such zones. The law encourages 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 of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities. These facilities are to replace potable water supplies determined to be contaminated or threatened by discharge.

1989 Farmland Preservation Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds 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 of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 for 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 State lands, 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 1.5 % 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 % 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.

Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

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.

General Fund

This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

Green Trust Fund (P.L. 1983, c.354)**Special Revenue Fund**

An amount of \$83 million of General Obligation bonds 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.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)**Special Revenue Fund**

This fund accounts for receipts from the \$1 designation 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 appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)**Special Revenue Fund**

An amount of \$100 million of General Obligation bonds 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 of General Obligation bonds 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 of General Obligation bonds was appropriated from the Jobs, Education, and Competitiveness Fund to the Higher Education Facility Renovation and Rehabilitation Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities, and the New Jersey Institute of Technology.

APPENDIX

1992 Historic Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$25 million of General Obligation bonds 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 meet the historic preservation project costs 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 standardbred horse racing industries. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standardbred 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 of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

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 of General Obligation bonds 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 of General Obligation bonds 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 of General Obligation bonds 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 non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)**Special Revenue Fund**

This fund was established for the purpose of providing financial assistance in the form of grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units, a portion of the Sales and Use Tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

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 Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)**Special Revenue Fund**

This fund was established to provide medical malpractice liability insurance premium relief to certain health care providers who have experienced or are experiencing a liability insurance premium increase in an amount established by regulation by the Department of Banking and Insurance. Revenues in the fund are generated from a \$3 per employee surcharge on those businesses who are subject to the “unemployment compensation law” and an annual \$75 assessment of certain health care professionals and attorneys. The fund is set to expire in three years.

Mortgage Assistance Fund (P.L. 1976, c.94)**Special Revenue Fund**

An amount of \$25 million of General Obligation bonds was authorized for mortgage assistance and for the construction, rehabilitation, and maintenance of housing for senior citizens and families of a low and moderate income. The bonds also provide funding for second mortgages and for a neighborhood preservation program.

APPENDIX

Motor Vehicle Commission Fund (P.L. 2003, c.13)

Capital Projects Fund

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million has been transferred to the Administrative Office of the Courts for improvements to the automated traffic system. The remainder is for the payment of the costs of capital improvements for Motor Vehicle Commission facilities. These improvements include, but are not limited to, building improvements and the acquisition and installation of furniture, fixtures, machinery, computers, and electronic equipment.

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.

Motor Vehicle Surcharge Securitization Fund (P.L. 2004, c.70)

Special Revenue Fund

This fund was established in order to receive bond proceeds from the New Jersey Economic Development Authority, which issued \$807.5 million of Motor Vehicle Surcharges Revenue Bonds. An amount of \$740 million was transferred to the General Fund for expenditure of any lawful State purpose for which moneys on deposit in the State's General Fund may be used. The remaining proceeds were transferred to the New Jersey Economic Development Authority in order to fund capitalized interest and to pay for costs of issuance.

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

Special Revenue Fund

This fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 75 % reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

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 Security 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 of General Obligation bonds 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 Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)**Capital Projects Fund**

An amount of \$135 million of General Obligation bonds 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 of General Obligation bonds was authorized from the Green Acres, Farmland, and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 providing State grants and loans to assist local government units in acquiring Blue Acres Land to meet the coastal blue acres cost, 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 of General Obligation bonds 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 has been allocated for the acquisition and development of land by the State. An amount of \$83 million has been transferred to the Green Trust Fund for grants or loans to local governmental entities 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 of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities 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 of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to acquire and develop 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 of General Obligation bonds 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 of General Obligation bonds 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.

APPENDIX

1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$120 million of General Obligation bonds 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 governmental entities 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 of General Obligation bonds 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 of General Obligation bonds 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 acquiring inland blue acres for recreation and conservation purposes and 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. An amount of \$41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

Special Revenue Fund

This fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this fund by each member of the Bar of the State of New Jersey.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

Special Revenue Fund

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutual money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding horse racing permits.

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 initially transferred 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 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 services by means of training grants or customized training services, provided the funding is not available from federal or other non-State sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025% of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

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 of General Obligation bonds was authorized for the purpose of providing grants and loans to local governmental entities 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 air pollution, water pollution, and hazardous waste management programs. The fund shall be credited with fees imposed upon employers and collected by the New Jersey Department of Labor.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)**Special Revenue 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 formulas established by the State Legislature, to counties, municipalities, and school districts.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**Capital Projects Fund**

An amount of \$125 million of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

APPENDIX

Public Purpose Buildings Construction Fund (P.L. 1980, c.119)

Capital Projects Fund

An amount of \$159 million of General Obligation bonds was authorized for the 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.

The Public Purpose Buildings Construction Fund provided \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

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 of General Obligation bonds 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.

Retail Margin Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues from a "retail margin charge" collected from large commercial and industrial consumers of energy. Funds generated from this charge are used to support Board of Public Utilities initiatives related to commercial and industrial-based customers.

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 of General Obligation bonds 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.

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 of General Obligation bonds was authorized for the 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 of General Obligation bonds 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 Lottery Fund (N.J.S.A. 5:9-21)**Proprietary Fund**

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. The balance of funds is paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present values of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this fund.

State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds 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.

State Recycling Fund (N.J.S.A. 12:1E-92)**Special Revenue Fund**

P.L. 2002, c.128 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 in order 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 of General Obligation bonds 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.

APPENDIX

Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds 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.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

Special Revenue Fund

This fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

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 % 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 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 of General Obligation bonds 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.

Trial Attorney Certification Program (R. 1:39-1 (h))

Special Revenue Fund

This fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered were approved by the Supreme Court of New Jersey.

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% 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.

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 Statewide Heating Assistance and Referral for Energy Services, a 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% 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, 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, whereby 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.

Universal Services Fund (P.L. 1999, c.23)**Special Revenue Fund**

Monies deposited into this fund are generated from a "societal benefit charge" on monthly utility bills. The funds generated from the charge support the Lifeline program as well as clean energy initiatives.

APPENDIX

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund

(N.J.S.A. 52:18A-1 et seq.)

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.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds 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 designations 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 of General Obligation bonds was authorized for the purpose of financing construction of wastewater treatment systems. Of the total amount authorized, \$145 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 governmental entities 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 of General Obligation bonds 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.

2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)**Special Revenue Fund**

An amount of \$5 million of General Obligation bonds was authorized to establish reserve accounts to secure debt issued by the New Jersey Environmental Infrastructure Trust and loan guarantee accounts to secure debt issued by a local government unit. Moneys in the reserve and loan guarantee accounts may be made available to the NJ Department of Environmental Protection, with the concurrence of the New Jersey Environmental Infrastructure Trust, for temporary use by the department in implementing the provisions of the related act.

Water Supply Fund (P.L. 1981, c.261)**Special Revenue Fund**

An amount of \$350 million of General Obligation bonds 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 by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Workers' Compensation Security Fund (P.L. 2004, c.179)**Special Revenue Fund**

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this fund. Payments from this fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

APPENDIX

STATE LOTTERY FUND SCHEDULE

(thousands of dollars)

The estimated revenue available from the State Lottery Fund for education and institutions in fiscal 2006–2007 is \$836 million. These funds will be applied to support a portion of the programs listed in the schedule below:

DIRECT STATE SERVICES

Department of Education	
Statewide Assessment Program	20,725
Marie H. Katzenbach School for the Deaf	3,264
Department of Human Services	
Operation of State Psychiatric Hospitals	259,837
Operation of Centers for the Developmentally Disabled	87,362
Department of Military and Veterans' Affairs	
Operation of Homes for Disabled Soldiers	30,410
<i>Subtotal, Direct State Services</i>	401,598

GRANTS-IN-AID

Higher Educational Services	
Senior Public Institutions–Operating Aid	807,586
Tuition Aid Grants	214,729
Higher Education Capital Improvement Program	32,146
Opportunity Program Grants	26,910
Aid to Independent Colleges and Universities	11,981
Higher Education Facilities Trust Fund	20,911
Outstanding Scholars Recruitment Program	9,650
Supplementary Education Program Grants	12,885
Student Tuition Assistance Reward Scholarship (NJSTARS I & II)	8,000
Coordinated Garden State Scholarship Programs	7,562
Higher Education for Special Needs Students	1,100
<i>Subtotal, Grants-in-Aid</i>	1,153,460

STATE AID

Department of Agriculture	
School Nutrition	11,677
Department of Education	
Nonpublic School Aid	101,615
School Construction and Renovation	62,000
Higher Education Services	
Aid to County Colleges for Operational Costs	138,306
<i>Subtotal, State Aid</i>	313,598
Grand Total	1,868,656

CASINO REVENUE FUND SCHEDULE

(thousands of dollars)

The estimated revenue from the Casino Revenue Fund in Fiscal Year 2007 is \$468,087,000. 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.

Senior Citizen Property Tax Freeze	118,900
Medical Assistance	
Personal Assistance Services	3,734
Personal Care	146,605
Home Care Expansion	71
Pharmaceutical Assistance to the Aged & Disabled	392,751
Traumatic Brain Injury	21,436
Community Care/Sixth Omnibus Budget Reconciliation Act	304,258
Respite Care	5,359
Hearing Aid Assistance	200
Statewide Birth Defects Registry	529
Health and Senior Services Administration	871
Transportation Assistance	
Senior Citizens and Disabled Residents	34,930
Sheltered Workshop Transportation	2,440
Housing Programs	
Safe Housing and Transportation	1,726
Developmental Disabilities	32,516
Congregate Housing Support Services	2,006
<i>Other</i>	5,678
Grand Total	1,074,010

APPENDIX

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 \$468.1 million, including \$600,000 from the Casino Simulcasting Fund, are projected for fiscal 2007. Total CRF resources also include \$42.5 million from five taxes implemented in fiscal 2004. 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 fiscal 2007 are forecast to decrease from the fiscal 2006 appropriated amount by \$13.2 million because the five taxes implemented in 2004 are beginning to sunset. The majority of total CRF resources are being used to maintain CRF funding of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program. This program was once entirely funded with casino revenues; however, 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) — \$271.1 million
- Transportation Assistance — \$34.9 million
- Residential Care Developmental Disabilities — \$32.5 million
- Personal Assistance Services Program — \$3.7 million
- Community Care Alternatives — \$30.4 million
- Sheltered Workshop Transportation — \$2.4 million
- Waiver Initiatives — \$16.5 million
- Home Care Expansion Program — \$71,000
- Personal Care — \$60.1 million

CASINO REVENUE FUND SUMMARY AND PROJECTION

(millions of dollars)

	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Adj. Approp. 2006	Budget Rec. 2007
Opening Surplus	--	--	--	--	22.7	--	--
Revenues	347.0	35--	346.0	467.5	474.1	499.2	466.5
Lapses And Adjustments	--	14.2	18.8	0.7	2.7	1.7	1.6
Total Resources	<u>347.0</u>	<u>364.2</u>	<u>364.8</u>	<u>468.2</u>	<u>499.5</u>	<u>500.9</u>	<u>468.1</u>
Property Tax Deduction	17.2	-- (b)	--	--	--	--	--
Medical Assistance							
Personal Assistance	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Home Care Expansion	0.5	0.4	0.3	0.2	0.2	0.2	0.1
PAAD -- Expanded	229.9 (a)	257.9	259.9	254.7	309.0	304.4	271.1
Community Care And Waivers	1.6	3.0	3.3	44.7	44.5	46.6	46.9
Respite Care	4.8	5.2	5.4	5.4	5.4	5.6	5.4
Hearing Aid Assistance	0.2	0.2	0.3	0.1	0.1	0.2	0.2
Statewide Birth Defects Registry	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Health and Senior Services Admin.	0.9	0.9	0.9	0.9	1.0	0.9	0.9
Personal Care	--	--	--	60.1	60.1	60.1	60.1
Lifeline Credits	32.7	34.7	34.6	-- (c)	--	--	--
Transportation Assistance							
Senior Citizens and Disabled Residents	25.7	24.8	24.9	25.5	25.3	34.4	34.9
Sheltered Workshop Transportation	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Housing Programs							
Congregate Housing Support	0.5	3.3	1.9	1.9	1.9	2.0	2.0
Safe Housing and Transportation	1.6	1.7	1.7	1.7	1.7	1.7	1.7
Developmental Disabilities	19.6	19.6	19.6	38.3	38.3	32.5	32.5
Other	5.2	5.9	5.4	5.4	5.4	5.7	5.7
Total Appropriations	<u>347.0</u>	<u>364.2</u>	<u>364.8</u>	<u>445.5</u>	<u>499.5</u>	<u>500.9</u>	<u>468.1</u>
Ending Surplus	<u>--</u>	<u>--</u>	<u>--</u>	<u>22.7</u>	<u>--</u>	<u>--</u>	<u>--</u>
General Fund Subsidy							
Lifeline	36.2	36.2	11.2	-- (c)	--	--	--
SOBRA for Aged and Disabled	123.8	128.8	133.9	198.8	218.2	242.6	273.9
Community Care and Waivers	41.2	41.2	45.9	0.6	5.1	5.8	4.9
Personal Care	96.7	116.2	130.2	75.0	76.8	89.8	86.5
Senior Citizens Property Tax Freeze	10.6	10.6	23.0	17.7	72.4	98.4	118.9
PAAD -- Expanded	49.5	92.9	123.9	128.9	48.6	51.2	121.7
Value Of Programs Shifted	<u>358.0</u>	<u>425.9</u>	<u>468.1</u>	<u>421.0</u>	<u>421.1</u>	<u>487.8</u>	<u>605.9</u>

Notes:

(a) In addition to this amount, \$49.5 million was shifted to the General Fund and charged to the Tobacco Settlement Trust Fund.

(b) The Property Tax Deduction appropriation has been shifted to the Property Tax Relief Fund.

(c) Beginning in fiscal 2004, the Board of Public Utilities began funding the Lifeline program.

APPENDIX

911 SYSTEM AND EMERGENCY RESPONSE FEE

(thousands of dollars)

The estimated revenue from the mobile telecommunications service and telephone exchange service fee in fiscal 2007 totals \$119 million. In accordance with the enabling legislation (P.L. 2004, c.48), these funds will be deposited into the 911 System and Emergency Response Trust Fund account and applied to offset a portion of the cost of related programs listed below:

Department of Community Affairs

Municipal Homeland Security Assistance Aid 32,000

Department of Health and Senior Services

Bioterrorism Response 4,000
Disease Surveillance 3,250

Interdepartmental

Statewide 911 Emergency Telephone System 17,567
Enhanced 911 Grants 14,925
State Police Emergency Operations Center 1,414
State Police Multipurpose Bldg and Troop C Headquarters 7,584
Statewide Security - Capital 1,500
Office of Emergency Telecommunications Service (OETS) 1,500
OIT Availability and Recovery Site (OARS) - Capital 6,500

Department of Law and Public Safety

Counterterrorism 1,400
Domestic Security Preparedness Task Force 600
Homeland Security and Preparedness 20,000
State Police CAD System 600
State Police Forensic Lab 3,804
State Police Multipurpose Building/Troop C Maintenance 3,278
Office of Emergency Management - Enhancement 1,100
State Police Recruit Classes 2,700
Vehicle Purchases 8,216
State Police Dispatch Unit 1,400
911 Expanded Call Takers 1,950
State Police Central Monitoring Station 654
State Police Radio Upgrade 2,000
Nuclear Facility Detail 1,600
Emergency Operations Center, Operating 3,466
State Police - Remaining Operating Budget 224,147

Military and Veterans' Affairs

Nuclear Facility Detail 2,930
Military Services - National Guard and Support Services 8,546

Department of Treasury

Cyberterrorism 416

Total, State Appropriations **379,047**

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, bridge, and public transportation projects outlined in the Department of Transportation's annual capital plan. Funds appropriated to the Authority are composed of Toll Authority contributions, motor fuels taxes, petroleum products gross receipts taxes, and sales and use taxes. The Authority may also issue bonds to supplement State appropriations.

	Fiscal 2005 Expended	Fiscal 2006 Adjusted Approp.	Year Ending June 30, 2007	
			Requested	Recommended
DISTRIBUTION OF STATE TRANSPORTATION FUNDS				
By Project Type				
State Highway Projects	585,126	526,000	750,000	750,000
Local Aid Highway Projects	145,823	145,000	175,000	175,000
Public Transportation Projects	599,631	534,000	675,000	675,000
<i>Subtotal, State Transportation Funds</i>	<u>1,330,580</u>	<u>1,205,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
By Phase of Work				
Construction	1,199,917	1,086,669	1,543,176	1,543,176
Design and Engineering	29,539	26,751	7,000	7,000
Right-of-Way Acquisition	71,452	64,709	35,338	35,338
Study and Development	22,221	20,124	11,486	11,486
Planning	7,451	6,747	3,000	3,000
<i>Total, State Transportation Funds</i>	<u>1,330,580</u>	<u>1,205,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
DISTRIBUTION OF FEDERAL HIGHWAY AND THIRD-PARTY FUNDS				
By Project Type				
State Highway Projects	704,322	836,528	773,118	773,118
Local Aid Highway Projects	46,535	53,395	204,391	204,391
Public Transportation Projects	416,390	492,792	635,344	635,344
<i>Subtotal, Federal Highway and Third-Party Funds</i>	<u>1,167,247</u>	<u>1,382,715</u>	<u>1,612,853</u>	<u>1,612,853</u>
By Phase of Work				
Construction	937,533	1,110,597	1,409,258	1,409,258
Design and Engineering	74,821	88,632	111,843	111,843
Right-of-Way Acquisition	90,228	106,884	39,605	39,605
Study and Development	64,665	76,602	52,147	52,147
<i>Total, Federal Highway and Third-Party Funds</i>	<u>1,167,247</u>	<u>1,382,715</u>	<u>1,612,853</u>	<u>1,612,853</u>
<i>Total, State Transportation Funds</i>	1,330,580	1,205,000	1,600,000	1,600,000
<i>Total, Federal Highway and Third-Party Funds</i>	1,167,247	1,382,715	1,612,853	1,612,853
<i>Total Program Authorization</i>	<u>2,497,827</u>	<u>2,587,715 (a)</u>	<u>3,212,853</u>	<u>3,212,853 (b)</u>

(a) Fiscal 2006 adjusted appropriation is derived from the fiscal 2006 Transportation Capital Construction Program.

(b) The specific projects represented by these amounts will be available in the fiscal 2007 Transportation Capital Construction Program due to be issued in March, 2006.

APPENDIX

**STATE OF NEW JERSEY
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2005 (a)
(thousands of dollars)**

	ACT OF	AUTHORIZED ^(a)	UNISSUED	RETIRED ^(b)	OUTSTANDING
Water Conservation Bonds	1969	271,000	---	268,458	2,542
State Recreation and Conservation Land Acquisition and Development Bonds	1974	200,000	---	199,848	152
Clean Waters Bonds	1976	120,000	5,000	114,558	442
State Land Acquisition and Development Bonds	1978	200,000	1,500	195,842	2,658
New Jersey Transportation-Rehabilitation and and Improvement Bonds	1979	475,000	---	474,239	761
Natural Resources Bonds	1980	145,000	9,600	109,958	25,442
Energy Conservation Bonds	1980	50,000	1,600	47,325	1,075
Water Supply Bonds	1981	350,000	93,400	256,600	---
Hazardous Discharge Bonds	1981	100,000	43,000	54,318	2,682
Community Development Bonds	1982	85,000	---	83,432	1,568
New Jersey Green Acres Bonds	1983	135,000	14,500	120,160	340
Shore Protection Bonds	1983	50,000	---	49,949	51
New Jersey Human Services Facilities Construction Bonds	1984	60,000	---	59,772	228
Refunding Bonds	1985	5,017,200	---	2,638,955	2,378,245
Pinelands Infrastructure Trust Bonds	1985	30,000	8,000	22,000	---
Resource Recovery and Solid Waste Disposal Facility Bonds	1985	85,000	---	78,200	6,800
Hazardous Discharge Bonds	1986	200,000	48,000	101,519	50,481
Green Acres, Cultural Centers, and Historic Preservation Bonds	1987	100,000	9,000	86,670	4,330
Jobs, Education, and Competitiveness Bonds	1988	350,000	---	335,168	14,832
New Jersey Open Space Preservation Bonds	1989	300,000	26,000	250,146	23,854
Public Purpose Buildings and Community-Based Facilities Construction Bonds	1989	125,000	5,000	108,795	11,205
Stormwater Management and Combined Sewer Overflow Abatement Bonds	1989	50,000	21,500	23,205	5,295
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Bonds	1989	115,000	---	99,362	15,638
New Jersey Green Acres, Clean Water, and Farmland and Historic Preservation Bonds	1992	345,000	26,780	241,284	76,936
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction Bonds	1994	160,000	5,000	104,607	50,393
Green Acres, Farmland and Historic Preservation, and Blue Acres Bonds	1995	340,000	25,500	208,480	106,020
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bonds	1996	300,000	199,000	48,890	52,110
Urban and Rural Centers Unsafe Buildings Demolition Bonds	1997	20,000	---	6,150	13,850
Statewide Transportation and Local Bridge Bonds	1999	500,000	---	247,835	252,165
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bonds	2003	200,000	200,000	---	---
Total Long-Term Debt:		<u>10,713,200</u>	<u>742,380</u>	<u>6,870,725</u>	<u>3,100,095</u>

(a) An additional \$1,000,000 of 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.

STATE APPROPRIATIONS LIMITATION ACT
(CAP LAW)

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 State may exceed the maximum appropriations if a bill making an appropriation is agreed to by a two-thirds vote of all members of each legislative body.

Under the formula in the law, the maximum appropriation for fiscal year 2007 is computed by multiplying the base year appropriation (fiscal 2006) subject to the percentage limitation by the average three-year growth rate in per capita personal income calculated on a fiscal basis. The fiscal 2007 CAP is calculated using 2.96%.

The calculation results in a maximum increase of \$168.8 million over the fiscal 2006 Adjusted Appropriation or a maximum appropriation of \$5.873 billion for Direct State Services for fiscal 2007. The Governor's recommendation for fiscal 2007, for items under the CAP, is \$5.869 billion, or \$4 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 as follows.

STATE INCOME
(millions of dollars)

Fiscal 2002	336,411
Fiscal 2003	338,659
Fiscal 2004	351,289
Fiscal 2005	372,969

Source: U.S. Department of Commerce,
Bureau of Economic Analysis

STATE POPULATION

Fiscal 2002	8,576,089
Fiscal 2003	8,640,028
Fiscal 2004	8,685,166
Fiscal 2005	8,717,925

Source: U.S. Bureau of the Census
(State Pop. Estimates July 1, 2002 - July 1, 2005)

STATE AVERAGE PER CAPITA

	Personal Income	Percentage Change
Fiscal 2002	39,227	
Fiscal 2003	39,196	-0.08%
Fiscal 2004	40,447	3.19%
Fiscal 2005	42,782	5.77%

Source: U.S. Bureau of the Census
(State Pop. Estimates, July 1, 2002 - July 1, 2005)

APPENDIX

COMPUTATION OF FISCAL 2007 CAP SUBJECT TO EXPENDITURE LIMITATION LAW PERCENTAGE (thousands of dollars)

Appropriation and Adjustments for Fiscal 2006	28,265,316
Adjustment: For Restoration from Cash Management Reserve (a)	12,000
Less Statutory Exemptions:	
Grants-In-Aid	(8,163,967)
State Aid	(1,925,126)
Capital Construction	(1,091,220)
Debt Service	(169,326)
Property Tax Relief Fund	(10,359,500)
Casino Control Fund	(72,039)
Casino Revenue Fund	(500,941)
Gubernatorial Elections Fund	(2,525)
Less: Funding In Accordance With Court Settlements	(175,470)
Less: Federal Funds Support of Employee Benefits	(113,080)
Amount Subject to Limitation	5,704,122
Fiscal 2006 Base Subject to Percentage Limitation	5,704,122
Per Capita Personal Income Growth Rate	2.96%
Maximum Increase in Appropriation for Fiscal 2007	168,842
Maximum Appropriation for Fiscal 2007	5,872,964
Fiscal 2007 Recommendation	6,253,569
Less: Funding In Accordance With Court Settlements	(254,097)
Less: Federal Funds Support of Employee Benefits	(130,680)
Amount of Fiscal 2007 Appropriation Subject to the CAP Limitation	5,868,792
Amount Over/(Under) the CAP Limitation	(4,172)

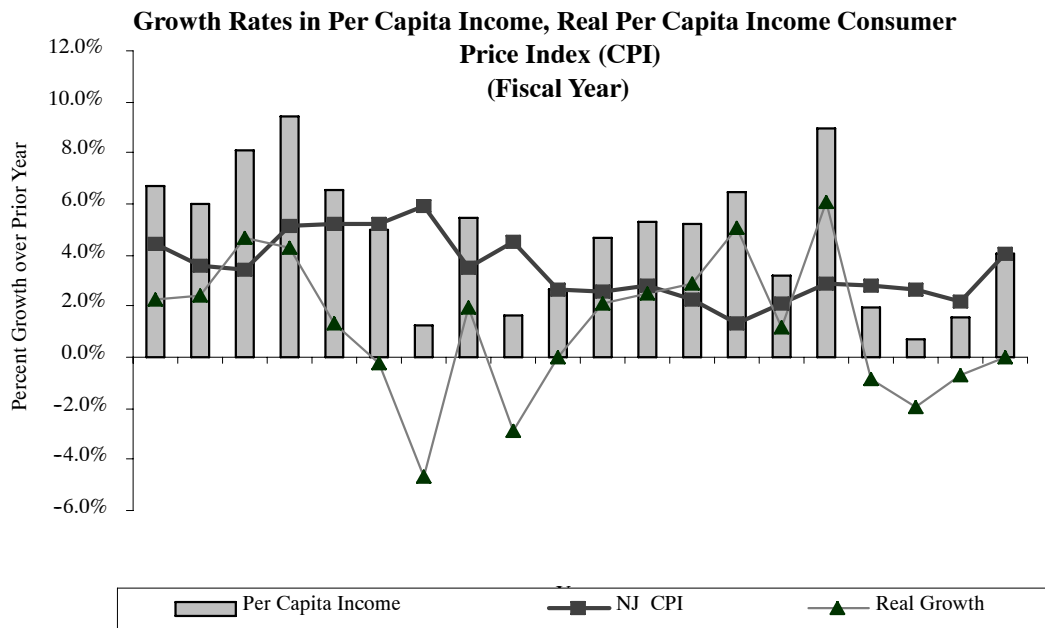
(a) For the purposes of calculating the State Appropriations Limitation Act P.L. 1990, c.94 (C.52:9H-24 et seq.) the recovery of funds from the Cash Management Reserve Fund may be treated as a “base appropriation” in accordance with the Appropriations Act P.L. 2005, c.132.

POPULATION AND PERSONAL INCOME

The total population of New Jersey is 8.7 million, based on the latest update of the U.S. Bureau of the Census in July 2005.

New Jersey has the highest rank for per capita personal income of the mid-Atlantic states (see table below) and in 2004 was the state with the third highest per-capita income nationwide.

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 fourth straight year (see figure below).



**PER CAPITA PERSONAL INCOME FOR
THE UNITED STATES, NEW JERSEY, AND MIDDLE ATLANTIC STATES
(2004 Calendar Year)**

	Amount	Percent of National Average	National Ranking
United States	\$33,041	---	---
New Jersey	\$41,636	126%	3
Maryland	\$39,629	120%	4
New York	\$38,333	116%	5
Delaware	\$35,559	108%	10
Pennsylvania	\$33,257	101%	18

Source: U.S. Department of Commerce, Bureau of Economic Analysis

WORKFORCE

Through a rigorous hiring freeze, administrative efficiencies, and responsible reorganization of select government functions, the Fiscal 2007 Budget will reflect 1,038 position reductions and \$67.2 million in salary and fringe benefit savings. Strict enforcement of minimal replacement of positions vacated by attrition will yield opportunities both to control government growth and to facilitate reorganization, improve management practices, and streamline services.

Department reduction initiatives are wide-spread. They include, for example, the elimination of 34 positions at the Department of Law and Public Safety as a result of the consolidation of administrative functions as well as a 41 position reduction in an effort to increase productivity and efficiencies at the Division of Law. Also, the Department of Transportation's State funded workforce will be reduced by 128 positions from 2,856 to 2,728. A total of 92 funded vacant positions will be eliminated. The remaining 36 positions are performing functions that will be absorbed by various programs within the Department without reducing current levels of service.

This Budget proposes the New Jersey Department of Children and Families (DCF) to provide the necessary focus to aggressively reform the State's child welfare system. This new Cabinet agency will be devoted exclusively to serving the State's most vulnerable children and families. Because results must be achieved quickly, DCF will begin July 1, and initially be composed only of the divisions in DHS focused on child protection, welfare, education and permanency, child behavioral health, and abuse prevention. The creation of the DCF will not require any new positions; however the continued reform of the system, largely to add social workers and related support staff, will increase the number of employees by 442, taking into account State and federal funding. Additional funding will allow DCF to implement the Child Welfare Reform Plan more successfully with increased staff, achieving caseload to staff ratios, and other initiatives. In addition to the staff provided directly to Children and Families, more than 367 staff at the Department of Law and Office of the Public Safety and the Public Defender provide services to address the requirements of the child welfare reform effort.

Non-State funding represents positions that are supported from sources other than the State's General Fund and includes federal, fee-supported, and other dedicated funding. Of the 1,092 non-State Executive Branch employee increase, approximately one-third represents increases for the Human Services Department and for Children's and Families.

The 212 non-State increase for the Department of Law and Public Safety includes funded vacancies in Consumer Affairs, Criminal Justice, Law, State Police, Racing Commission, the Office of the State Medical Examiner, Insurance Fraud Prosecutor, as well as several Professional Boards. These positions are largely supported from fees dedicated to the program. Growth for Community Affairs includes additional staff for a number of fee-supported programs. The growth of 127 for the Motor Vehicles Commission (MVC) represents continuation of upgrades to the agencies in order to improve access, security, and customer service. More specifically, MVC is in the process of developing/implementing a comprehensive data system that will integrate separate systems to better manage data flow and increase the efficiency and effectiveness of operations. A new accounting system will increase the ability to analyze financial data and track revenues and expenses. Once these systems are operational, MVC will not refill positions vacated by attrition related to these one time efforts.

Most of the 158 increase for the Department of Environmental Protection represents funded vacancies, a significant portion of which are positions supported by an off-budget source. For example, 13 funded vacancies for Highlands Permitting and 13 for Solid Waste Regulation are fee-supported. The November 2005 Ballot question authorizes 11 new positions to be funded from the CBT dedication for the Diesel Risk Mitigation program and 17 positions for the administration of the Private Underground Storage Tank Remediation program. The CBT dedication also supports 10 new positions for the Underground Storage Tank Inspection program authorized by the December 2003 constitutional amendment. Parks and Forestry has 27 funded vacancies which will be filled to address critical park infrastructure.

The State funded increase of 81 for the Department of Military and Veterans' Affairs largely represents funded vacancies at the Veterans' Homes due to expansions begun in previous budgets.

The net recommended State funding for Executive Branch employees in fiscal 2007 provides for an increase of 5 full-time employees compared to the actual number of employees on March 10, 2006. The number of State supported employees actually would decline by 720 were it not for priority growth for child welfare reform, additional State troopers, additional nurses and others for State Veterans' Homes, and additional staff to address priority environmental concerns.

STATE FUNDED WORKFORCE
03/03/06 vs. FY 2007 FUNDED POSITION COMPARISON

	Employees 3/03/06	FY 2007 FUNDED POSITIONS
AGRICULTURE	150	144
BANKING AND INSURANCE	3	4
CHIEF EXECUTIVE OFFICE	96	91
CHILDREN & FAMILIES	4,269 (1)	4,505
COMMUNITY AFFAIRS	184	201
CORRECTIONS (Balance)	9,088 (2)	8,948
- Parole Board	757	750
EDUCATION	419	449
ENVIRONMENTAL PROTECTION	2,420	2,578
HEALTH AND SENIOR SERVICES	814 (2)	793
HUMAN SERVICES (Total)	10,946	10,871
- Management and Budget	320	310
- Medical Assistance	186	128
- Disability Services	18	19
- Family Development	231	223
- Addiction Services	22	18
- Commission for the Blind and Visually Impaired	199	199
- Deaf and Hard of Hearing	9	9
- Developmental Disabilities	5,079	5,079
- Mental Health and Hospitals	4,882	4,886
LABOR (Balance)	227	234
- Public Employee Relations Commission	35	36
LAW AND PUBLIC SAFETY (Balance)	2,882 (2)	2,771
- State Police	2,252	2,335
- Election Law Enforcement Commission	73	88
- Violent Crimes Compensation Board	47	48
- Executive Commission on Ethical Standards	13	18
- Juvenile Justice	1,294	1,296
MILITARY AND VETERANS' AFFAIRS	1,356	1,437
PERSONNEL	374	368
PUBLIC ADVOCATE	105 (2)	172
STATE (Balance)	130	135
- Commission on Higher Education	15	18
- Higher Education Student Assistance Authority	27	24
- New Jersey Network	116	102
TRANSPORTATION	2,856	2,728
- Motor Vehicle Commission	0	0
TREASURY (Balance)	2,988 (2)	3,044
- Casino Control Commission	0	0
- Office of Administrative Law	106	111
- Office of Information Technology	0	0
- Public Defender	1,030 (2)	1,053
- Commission on Science and Technology	6	7
- Board of Public Utilities	0	0
MISCELLANEOUS COMMISSIONS	2	2
Less Statewide Position Reductions		(276)
SUBTOTAL EXECUTIVE BRANCH	45,080	45,085
LEGISLATURE	469	459
- SCI	48	59
JUDICIARY	7,999	8,072
GRAND TOTAL	53,596	53,675

Notes:

- (1) Adjusted to reflect the prospective shift of filled State funded positions to federally funded positions.
(2) Positions reallocated to the Public Advocate from Corrections, Health & Senior Services, Law & Public Safety, and the Public Defender. Also adjusted to reflect the prospective shift of 354 positions from State funding to dedicated funding.

NON-STATE FUNDED WORKFORCE
03/03/06 vs. FY 2007 FUNDED POSITION COMPARISON

	EMPLOYEES 3/03/06	FY 2007 FUNDED POSITIONS
AGRICULTURE	113	136
BANKING AND INSURANCE	498	501
CHIEF EXECUTIVE OFFICE	0	0
CHILDREN & FAMILIES	1,909 (1)	2,115
COMMUNITY AFFAIRS	976	1,078
CORRECTIONS (Balance)	421	435
- Parole Board	0	0
EDUCATION	537	554
ENVIRONMENTAL PROTECTION	997	982
HEALTH AND SENIOR SERVICES	1,325	1,378
HUMAN SERVICES (Total)	4,894	5,013
- Management and Budget	99	145
- Medical Assistance	389	413
- Disability Services	13	10
- Family Development	223	255
- Addiction Services	114	118
- Commission for the Blind and Visually Impaired	107	107
- Deaf and Hard of Hearing	0	0
- Developmental Disabilities	3,926	3,948
- Mental Health and Hospitals	23	17
LABOR (Balance)	3,522	3,582
- Public Employee Relations Commission	0	0
LAW AND PUBLIC SAFETY (Balance)	2,210	2,422
- State Police	726	700
- Election Law Enforcement Commission	0	0
- Violent Crimes Compensation Board	0	0
- Executive Commission on Ethical Standards	0	0
- Juvenile Justice	469	469
MILITARY AND VETERANS' AFFAIRS	154	190
PERSONNEL	0	0
PUBLIC ADVOCATE	43 (2)	47
STATE (Balance)	65	71
- Commission on Higher Education	2	4
- Higher Education Student Assistance Authority	170	198
- New Jersey Network	41	52
TRANSPORTATION	1,047	1,090
- Motor Vehicle Commission	2,748	2,875
TREASURY (Balance)	740 (3)	755
- Casino Control Commission	347	364
- Office of Administrative Law	10	10
- Office of Information Technology	937	957
- Public Defender	3 (2)	2
- Commission on Science and Technology	0	0
- Board of Public Utilities	303 (2)	319
MISCELLANEOUS COMMISSIONS	0	0
SUBTOTAL EXECUTIVE BRANCH	25,207	26,299
LEGISLATURE	0	0
- SCI	0	0
JUDICIARY	1,543	1,623
GRAND TOTAL	26,750	27,922

Notes:

- (1) Adjusted to reflect the prospective shift of filled State funded positions to federally funded positions.
- (2) Positions reallocated to the Public Advocate from Ratepayer Advocate and Public Defender.
- (3) Adjusted to reflect prospective shift of 354 positions from State funding to dedicated funding.

Numbers

1983 New Jersey Green Acres Bonds, E-10
 1987 Green Acres, Cultural Centers and Historic Preservation Bonds, E-10
 1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation, E-12
 1989 New Jersey Open Space Preservation Bonds, E-10
 1996 Economic Development Site Fund, H-10
 1996 Lake Restoration Fund, H-18
 911 Emergency Telephone System, (Inter), D-469

A

Department of Agriculture
 Overview, D-13
 Agricultural Resources, Planning, and Regulation, D-15
 Abbott Implementation Group, (DOE/370910), D-107
 Abbott Preschool Expansion Aid, (DOE/012160), D-94
 Abbott-Bordered District Aid, (DOE/012180), D-94
 Actuarial Services, (B&I/020000), D-27
 Addiction Services
 (DHS), D-243, D-244
 (DHSS), D-157, D-158
 Adjudication of Administrative Appeals, (Treas), D-437
 Administrative Law, (Treas), D-436
 Adult Activities
 (DHS), D-216, D-217, D-218
 Adult and Postsecondary Education Grants, (DOE), D-95
 Advocacy for the Developmentally Disabled, (PUB), D-326
 Aged, Programs for (DHSS), D-171-, D-173
 Agricultural Experiment Station, (State), D-346
 Agriculture and Natural Resources (NJDA), D-18 - D-20
 AIDS Services (DHSS), D-157 - D-160
 Air Pollution Control (DEP), D-139, D-140, D-145
 Alcohol Education, Rehabilitation and Enforcement Fund,
 D-162, D-245, H-2
 Alcoholic Beverages, (L&PS), D-284
 Alternate Benefit Program - Employer Contributions,
 (Inter), D-466
 Alternate Benefit Program - Non-contributory Insurance
 (Inter), D-466
 (Treas), D-410
 Ancora Psychiatric Hospital, (DHS), D-196
 Animal Disease Control, (NJDA), D-18
 Ann Klein Forensic Center, (DHS), D-195
 Anti-Smoking Programs, (DHSS), D-158
 Appellate Services to Indigents, (Treas), D-446
 Apportionment Commission, (Leg), D-7

Appropriations Summary, All State Funds, B-40
 Arthur Brisbane Child Treatment Center, (DHS), D-198
 Assertive Community Treatment, (DHS), D-205
 Assessment Program, Statewide, (DOE), D-107
 Assisted Living Program, (DHSS), D-172
 Atlantic City Parking Fees Fund, H-2
 Atlantic City Tourism Promotion Fund, H-2
 Autism In-District Program Grants, (DOE), D-93
 Automotive Services, G-8

B

Department of Banking and Insurance
 Overview, D-23
 Economic Regulation, D-24
 Beaches and Harbors Bonds, E-10
 Beaches and Harbors Fund, E-5, H-3
 Bilingual Education
 (DOE), D-93, D-95
 Blind and Visually Impaired
 (DHS), D-232, D234
 Blue Acres, E-9, H-22, H-24
 Board of Bar Examiners, H-3
 Board of Public Utilities, (Treas), D-419
 Boarding Home Regulation and Assistance, (DCA), D-49
 Boarding House Rental Assistance Fund, D-51, D-52, H-3
 Body Armor Replacement Fund, H-4
 Bridge Rehabilitation and Improvement and Railroad
 Right-of-Way Preservation Fund, E-8
 Bridge Rehabilitation and Improvement Fund, E-7, H-39
 Burial Services (DMAVA), D-310
 Business Efficiency In the Public Schools, (Leg), D-7
 Business Employment Incentive Program, (Inter), D-459
 Business Employment Incentive Program, EDA, (Treas), D-412
 Business Services Bureau, (Treas), D-428

C

Chief Executive
 Overview, D-9
 Management and Administration, D-10
 Department of Children and Families
 Overview, D-31
 Social Services Programs, D-33
 Department of Community Affairs
 Overview, D-43
 Community Development Management, D-46
 Economic Planning and Development, D-52
 Social Services Programs, D-54
 State Subsidies and Financial Aid, D-58
 Management and Administration, D-62

INDEX

- Department of Corrections
 - Overview, D-65
 - Detention and Rehabilitation, D-68
 - System-Wide Program Support, D-75
 - Parole, D-78
 - Central Planning, Direction and Management, D-81
- Department of Corrections, Detention and Rehabilitation
 - State Farm Operations, Bureau of, G-2
 - State Use Industries, Bureau of, G-1
- Cable Television, (Treas), D-419
- Cancer Institute of New Jersey
 - (DHSS), D-159
 - (State), D-350
- Cancer Research, (DHSS), D-159
- Cancer Screening, (DHSS), D-159
- Capital City Redevelopment Loan and Grant Fund, H-4
- Capital for Homeland Security Critical Infrastructure, (L&PS), D-295
- Capital Improvements for Child Advocacy Centers, (DCF), D-38
- Capital Improvements for Homeless Shelters, (DCA), D-49
- Capital Projects - Statewide, (Inter), D-460
- Capital Improvements for Olmstead Group Homes, (DHS), D-218
- Care Management Organizations, (DCF), D-39
- Casino Gambling, (Treas), D-428
- Casino Simulcasting Fund, D-178, F-6, H-4, H-5
- Catastrophic Illness in Children Relief Fund, H-5
- Charity Care. *See* Health Care Subsidy Fund
- Charter School Aid, (DOE), D-95
- Charter Schools - Council on Local Mandates, (DOE), D-95
- Chief Executive's Office, (Gov), D-10
- Child Abuse Prevention, (DCF), D-38
- Child Advocate, (PUB ADVO), D-326
- Child Behavioral Health Services, D-33
- Child Protective and Permanency Services, (DCF), D-33, D-37, D-38
- Child Support and Paternity Program (Judic), D-479
- Child Welfare, D-31, D-33, D-40
- Child Welfare Reform, (DCF), D-37, D-38
- Child Welfare Training Academy Services And Operations, D-34
- Child Welfare Training Academy Services and Operations, (DCF), D-37
- Children's Services Support, (DHS), D-247
- Cigarette Tax Securitization Fund, H-5
- Citizen Relations, (PUB ADVO), D-326
- Civil Courts, (Judic), D-479
- Civilly Committed Sexual Offender Facility (DOC), D-74
- Clean Communities Account Fund, D-136, H-6
- Clean Energy Fund, H-6
- Clean Ocean and Shore Trust Committee, (Leg), D-8
- Clean Waters Bonds, E-10
- Clean Waters Fund, D-138, H-6
- Cleanup Projects - Constitutional Dedication, (DEP), D-135
- Client Services (State Share), (DOL), D-263
- Codes and Standards, (DCA), D-49
- College of New Jersey, The , (State), D-368
- Colleges and Universities
 - (State), D-343
 - (Treas), D-409
- Commerce, Economic Growth and Tourism Commission (Treas), D-413
- Commission on Science and Technology (Treas), D-416
- Community Care
 - (DHS), D-190
 - (DHSS), D-172
- Community Case Managers, (DCF), D-39
- Community Development Bonds, E-12
- Community Programs, (DHS), D-215
- Community Resources (DCA), D-56
- Community Services (DHS), D-190
- Community Services Waiting List (DHS), D-218
- Community Services, Purchase of, (DOC), D-77
- Community Transition Initiative, (DHS), D-218
- Compliance and Auditing, (DOE), D-112
- Consent Decree Vehicles, (L&PS), D-277
- Consolidated Aid, (DOE), D-94
- Consumer Affairs, (L&PS), D-300
- Consumer Protection Services and Solvency Regulation, (B&I), D-27
- Continuous Representation - Title 9-30, (Treas), D-447
- Contracted Systems Administrator, (DCF), D-39
- Core Curriculum Standards Aid (DOE), D-94
- Corporation Business Tax.
 - See* Environmental Remediation and Monitoring
- Correctional Facilities Construction Fund, E-7, H-38
- Council On Local Mandates (Misc), D-453
- County Administration Funding, (DHS), D-240
- County Boards of Taxation, (Treas), D-439
- County Colleges Aid, (Treas), D-409
- County Environmental Health Act, (DEP), D-146
- County Human Services Advisory Board-Formula Funding, (DCF), D-38
- County Prosecutor Funding Initiative Pilot Program, (DCA), D-60
- County Psychiatric Hospital, Patient Support, (DHS), D-190
- County Vocational Program Aid, (DOE), D-103
- Court Appointed Special Advocate Program, D-40
- Court Reporting, (Judic), D-479
- Criminal Courts, (Judic), D-479
- Criminal Justice, A-9, D-11
 - (L&PS), D-276

Crisis Intervention Program, (L&PS), D-288
 Cultural Centers and Historic Preservation Fund, D-379, H-7
 Cultural Projects, (State), D-379
 Cultural Trust, D-54, D-329, H-22

D

Department of Labor and Workforce Development
 Overview, D-251
 Economic Planning and Development, D-254
 Economic Assistance and Security, D-256
 Manpower and Employment Services, D-260
 Dam Restoration and Clean Water Fund, E-8, H-8
 Dam, Lake, and Stream Project Revolving Loan Fund, H-7
 Dam, Lake, Stream, and Flood Control Project Fund, H-7
 Day Reporting Program, (DOC), D-80
 Deaf and Hard of Hearing, (DHS), D-245
 Deaf Services, (DHS), D-246
 Debt Service for Chapter 12, (Treas), D-410
 Debt Service on Pension Obligation Bonds
 (DOE), D-109
 (Inter), D-466, D-467
 Delaney Hall, (DHS), D-244
 Delaware River Basin Commission (Misc), D-451
 Demonstrably Effective Program Aid, (DOE), D-95
 Designated Industries Economic Growth & Development-EDA,
 (Inter), D-460
 Develop Disabil. Waiting List Reduct.& Human Serv. Bonds,
 E-12
 Development Potential Bank Transfer Fund, H-8
 Development Potential Transfer Bank Fund, E-8
 Developmental Center Enhancement, (DHS), D-218
 Developmental Disabilities, (DHS), D-213
 Developmental Disabilities Waiting List Reduction Fund,
 E-8, H-8
 Diesel Risk Mitigation Fund - Constitutional Dedication,
 (DEP), D-140
 Disability Insurance Plan, (DOL), D-258
 Disability Services, (DHS), D-211
 Disadvantaged Youths, (DOE), D-93
 Disciplinary Oversight Committee, H-9
 Distribution Center, (Treas), G-10
 Division of Child Behavioral Health Services, (DCF), D-38
 Division of Disabilities Services (DHS), D-212
 Division of Law. *See* Legal Services
 Domestic Violence Prevention Services, (DCF), D-39
 Domestic Violence Program, (DCF), D-38
 Domiciliary and Treatment Services,
 (DMAVA), D-312, D-314, D-315
 Dormitory Safety Trust Fund, D-404

Dormitory Safety Trust Fund -- Debt Service, (Treas), D-409
 Dredging and Containment Facility Fund, D-136, E-9, H-9
 Drinking Water State Revolving Fund,
 D-128, D-131, D-132, H-10
 Drug Court Operations, (Judic), D-479
 Drug Court Pilot Initiative, Judiciary, D-480
 Drug Court Treatment/Aftercare, (Judic), D-479

E

Department of Education
 Overview, D-85
 Direct Educational Services and Assistance, D-89
 Operation and Support of Educational Institutions, D-99
 Supplemental Education and Training Programs, D-102
 Educational Support Services, D-104
 Education Administration and Management, D-111
 Department of Environmental Protection
 Overview, D-117
 Natural Resource Management, D-122
 Science and Technical Programs, D-128
 Site Remediation and Waste Management, D-132
 Environmental Regulation, D-137
 Environmental Planning and Administration, D-141, E-10
 Compliance and Enforcement, D-144
 Early Childhood Aid, (DOE), D-94
 Early Childhood Education, (DOE), D-107
 Early Childhood Intervention Program, (DHSS), D-159
 Early Launch to Learning Initiative, (DOE), D-94
 Earned Income Tax Credit Program, (DHS), D-240
 Economic Development (Treas), D-412
 Economic Development Authority, (Inter), D-459
 Economic Development Site Fund, D-463, E-9
 Education Opportunity Aid, (DOE), D-94
 Education Program Grants, (State), D-336
 Education Services, (DCF), D-37
 Educational Opportunity Fund Programs (State), D-335
 Educational Programs and Assessment (DOE), D-107
 Elder Advocacy, (PUB ADVO), D-326
 ElderCare Initiatives, (DHSS), D-172
 Election Law Enforcement, (L&PS), D-284
 Election Management and Coordination (L&PS), D-284
 Eligibility Determination Services, (DHS), D-205
 Emergency Flood Control Fund, E-6, H-10
 Emergency Medical Technician Training Fund, D-161, H-11
 Emergency Operations Center-Operating, (L&PS), D-295
 Emergency Services Fund, D-470, H-11
 Employee Benefits (Inter), D-464, D-465, D-466
 Employee Relations and Collective Negotiations, (Treas), D-422
 Employees' Dental Program, (Inter), D-466, D-467
 Employees' Health Benefits, (Inter), D-466, D-467

INDEX

Employees' Prescription Drug Program, (Inter), D-466, D-467
Employer Contributions -- Alternate Benefit Program,
(Treas), D-410
Employment and Training Services
(DOL), D-262, D-263, D-264
Employment Services (DOL), D-262
Energy Assistance Program, Federal, (DHS), D-240
Energy Assistance Programs
(Treas), D-419
Energy Conservation Bonds, E-12
Energy Conservation Fund, E-6, H-38
Englewood Implementation Aid, (DOE), D-95
Enhanced 911 Grants, (Inter), D-470
Enrollment Adjustment Aid, (DOE), D-94
Enrollment Growth, Above Average, (DOE), D-94
Enterprise Zone Assistance Fund,
D-256, D-415, D-429, F-6, H-11
Environmental Cleanup Fund, H-12
Environmental Management - CBT Dedication
(DEP), D-130, D-131, D-134, D-135
(DEP), D-139, D-145
Equal Employment Opportunity and Affirmative Action,
(DOP), D-321
Equipment Leasing Fund, D-404
Equipment Leasing Fund -- Debt Service, (Treas), D-409
Executive Management, (Chief Exec), D-10
Existing and Anticipated Leases, (Inter), D-459
Extended Polling Place Hours, (L&PS), D-285
Extraordinary Aid, (DCA), D-60

F

Facilities for Handicapped Fund, H-40
Facilities Planning and School Building Aid
(DOE), D-107, D-108
Family Care, (DHS), D-218
Family Courts (Judic), D-479
Family Development (DHS), D-235, G-4
Family Health Services (DHSS), D-157
Family Planning Services, (DHSS), D-158
Family Support Organizations, (DCF), D-39
Family Support Services, (DCF) D-33, D-38, D-40
FamilyCare, (DHS), D-205
Farm Operations, G-2

Farmland Preservation (NJDA/080040), D-18, D-19, D-20
Farmland Preservation Fund, E-9, H-12, H-13
Federal Grants, Restricted, (DCF), D-39
Federally Qualified Health Centers - Services to Family Care
Clients, (DHSS), D-159
Financial Institutions Supervision, (B&I), D-27
Fiscal Agent, Payments to, (DHS), D-204
Fiscal Integrity Unit/Office of Government Integrity,
(L&PS), D-295
Food and Nutrition Services
(NJDA), D-18, D-19, D-20
Food Assistance Program, (NJDA), D-19
Food Stamp Administration - State, (DHS), D-240
Forest Resource Management, (DEP), D-123
Formula Aid, Additional, (DOE), D-94
Formula Aid, General, (DOE), D-93
Foster Care, D-33, D-38, D-40
Foster Care and Permanency Initiative, (DCF), D-38
Fund For Support of Free Public Schools, H-13

G

Gaming Enforcement, (L&PS), D-276
Garden State Preservation Trust Fund Account, (Inter), D-461
Garden State Scholarship Programs, (State), D-341
General Assembly (Leg), D-3, D-4
General Assistance County Administration, (DHS), D-240
General Assistance Emergency Assistance Program,
(DHS), D-240
General Assistance Medical Services, (DHS), D-205
General Assistance, Cost of, (DHS), D-240
Geological Survey, (DEP), D-130
Global Budget Long Term Care Initiative, (DHSS), D-172
Grants Management, (DOE), D-107
Grants, Restricted, (DHS), D-239
Green Acres, D-124, D-127, E-7, E-8, E-9, H-23
Green Acres, Clean Water, Farmland and Historic Pres. Bonds,
E-10
Green Acres, Farmland and Historic Pres. and Blue Acres Bonds,
E-10
Green Brook Regional Center, (DHS), D-220
Green Trust, E-8, E-9
Green Trust Fund, H-14, H-24
Greystone Park Psychiatric Hospital, (DHS), D-192
Group Homes
(DCF), D-38
(DHS), D-217, D-218

H

- Department of Health and Senior Services
 - Overview, D-149
 - Health Services, D-153
 - Public Health and Environmental Laboratories, G-3
 - Health Planning and Evaluation, D-162
 - Health Administration, D-166
 - Senior Services, D-168
- Department of Human Services
 - Overview, D-181
 - Mental Health Services, D-187
 - Ancora Psychiatric Hospital, D-196
 - Ann Klein Forensic Center, D-195
 - Arthur Brisbane Child Treatment Center, D-198
 - Greystone Park Psychiatric Hospital, D-192
 - Mental Health Services, D-188
 - Senator Garrett W. Hagedorn Gero-Psychiatric Hospital, D-200
 - Trenton Psychiatric Hospital, D-193
 - Special Health Services, Medical Assistance and Health Services, D-201
 - Disability Services, Disability Services, D-211
 - Operation and Support of Educational Institutions, D-213
 - Community Programs, D-215
 - Developmental Disabilities, D-213
 - Green Brook Regional Center, D-220
 - Hunterdon Developmental Center, D-230
 - New Lisbon Developmental Center, D-226
 - North Jersey Developmental Center, D-223
 - Vineland Developmental Center, D-221
 - Woodbine Developmental Center, D-225
 - Woodbridge Developmental Center, D-228
 - Supplemental Education and Training Programs, Blind and Visually Impaired, D-232
 - Economic Assistance and Security, Family Development, D-235
 - Social Services Programs
 - Addiction Services, D-243
 - Deaf and Hard of Hearing, D-245
- Department of Human Services, Economic Assistance and Security, Family Development, G-4
- Halfway Back Program, (DOC), D-80
- Hamilton TechPlex Maintenance, (L&PS), D-277
- Hazardous Discharge Bonds, E-10
- Hazardous Discharge Bonds, E-10
- Hazardous Discharge Fund, E-6, H-15
- Hazardous Discharge Fund of 1981, H-15
- Hazardous Discharge Site Cleanup Fund, D-132, D-136, D-137, H-15
- Hazardous Discharge Site Cleanup Fund - Responsible Party, (DEP), D-134
- Hazardous Substance Discharge Remediation Loans & Grants-Constitutional Dedicat, (DEP), D-135
- Health Benefit Coordination Services, (DHS), D-205
- Health Care Subsidy Fund, D-150, D-162, D-163, D-165, D-206, D-207, D-208, D-256, D-430, H-16
- Health Care Systems Analysis (DHSS), D-164, D-165
- Health Services Administration and Management, (DHS), D-204
- Health, Safety, and Community Services (DOE), D-107, D-108
- High Expectations for Learning Proficiency, (DOE), D-94
- Higher Education Capital Improvement, (Treas), D-409
- Higher Education Facilities Trust Fund, D-404, D-109
- Higher Education Facility Renovation and Rehabilitation Fund, H-16
- Higher Education Planning and Coordination (State), D-335
- Higher Education Student Assistance Authority, (State), D-337
- Higher Education Technology Bond -- Debt Service, (Treas), D-409
- Higher Education Technology Infrastructure Bond Fund, D-404
- Highlands Council, (DEP), D-143
- Highlands Protection Fund, (Treas), D-440
- Highway Maintenance and Operations, (DOT), D-395
- Highway Traffic Safety, (L&PS), D-284
- Hispanic Policy, Research and Development, (DCA), D-56
- Historic Preservation Fund, D-52, D-54, E-8, E-9, H-16, H-17
- Historic Preservation Revolving Loan Fund, D-54, H-17
- Historical Commission Agency Grants, (State), D-379
- Historical Resources Development (State), D-378
- Home Assistance, (DHS), D-218
- Homeland Security and Preparedness (L&PS), D-294, D-295
- Homeless Social Services, (DHS), D-240
- Homestead Exemptions, (Treas), D-439
- Homestead Property Tax Rebates for Homeowners, D-439
- Homestead Property Tax Rebates for Tenants, (Treas), D-439
- Horse Racing Injury Compensation Fund, H-17
- Hospital Relief Offset Payments, (DHS), D-204
- Housing Assistance Fund, H-17
- Housing Code Enforcement (DCA), D-49
- Housing Services (DCA), D-49
- Human Resource Development Institute, (DOP), D-321
- Human Services Facilities Construction Bonds, E-12
- Human Services Facilities Construction Fund, E-7, H-39
- Hunterdon Developmental Center, (DHS), D-230
- Hunters' and Anglers' License Fund (DEP), D-123, D-124

I

- Interdepartmental Accounts
 - Overview, D-455
 - General Government Services, D-457
 - Employee Benefits, D-464
 - Other Inter-Departmental Accounts, D-469
 - Salary Increases and Other Benefits, D-471
- Income Maintenance Management, G-4 (DHS), D-238, D-239, D-240

INDEX

Independent Authorities Aid, (Inter), D-459
Independent Living, D-33
Independent Living and Shelter Care, (DCF), D-38
Information Services, (Judic), D-479
Information Technology, Office of, (Treas), G-5
Inmates Incarcerated In County Penal Facilities, (DOC), D-77
Insolvent Health Maintenance Fund, H-25
Inspector General, (Treas), D-423
Institutional Care and Treatment
(DOC), D-74
(L&PS), D-291, D-293
Institutional Care and Treatment Program, D-68
Institutional Construction Bonds, E-12
Institutional Construction Fund, D-382, E-6
Institutional Control and Supervision
(DOC), D-68, D-74, D-75, D-76
(L&PS), D-291, D-293
Institutional Program Support (DOC), D-76
Institutional Security Services, (DHS), D-247
Institutions Construction Bonds, E-12
Instructional Supplement, (DOE), D-94
Insurance and Claims, (DOT), D-399
Insurance and Other Services, (Inter), D-458
Insurance Annuity Trust Fund, H-42
Insurance Fraud Prevention, (B&I), D-27
Insurance Fraud Prosecution Services, (B&I), D-28
Integrated Information Systems, (DOC), D-76
Intensive In-Home Behavioral Assistance, (DCF), D-39
Intensive Supervision Program, (Judic), D-479
Inter-Departmental Accounts, Other (Inter), D-469
Interest On Short Term Notes, (Inter), D-469
Intergovernmental Relations Commission, (Leg), D-7
Intermodal Services (DOT), D-401, D-402
Interstate Environmental Commission
(Misc), D-450, D-492

J

Jobs, Education and Competitiveness Bonds, E-12
Jobs, Education and Competitiveness Fund, H-18
Jobs, Science and Technology Fund, E-7, H-18
Joint Committee on Public Schools, (Leg), D-7
Joint Training Center Management and Operations,
(DMAVA), D-307
Judicial Retirement System, (Inter), D-463
Judiciary, Drug Court Pilot Initiative, D-478
Juvenile Community Programs (L&PS), D-288
Juvenile Medium Security Center, (L&PS), D-292

Juvenile Parole and Transitional Services (L&PS), D-288
Juvenile Reception and Assessment Center, (L&PS), D-293
Juvenile Services, (L&PS), D-287

K

Katzenbach PLUS Program, (DOE), D-100
Kean University, (State), D-360
KidCare. *See* Health Care Subsidy Fund
Kinship Care Guardianship and Subsidy, (DHS), D-239
Kinship Care Initiatives, (DHS), D-239
Kinship Legal Guardianship, (Judic), D-479
Korean Veterans Memorial Fund, D-311, H-18

L

Department of Law and Public Safety
Overview, D-267
Law Enforcement, D-272
Special Law Enforcement Activities, D-281
Juvenile Services, D-286
 Juvenile Medium Security Center, D-292
 Juvenile Services, D-287
 Training School for Boys, D-290
Central Planning, Direction and Management, D-293
General Government Services, D-296
Protection of Citizens' Rights, D-298
The Legislature
Overview, D-1, E-1, E-3
Legislative Activities
 General Assembly, D-3
 Legislative Services, Office of, D-4
 Senate, D-2
 Legislative Commissions and Committees, D-6
Labor Relations (DOL), D-262
Laboratory Services, G-3 (DHSS), D-157, D-160
Lake Restoration Fund, E-9
Land Use Regulation, (DEP), D-130, D-145
Large Efficient District Aid, (DOE), D-94
Department of Law and Public Safety, Law Enforcement,
 A-9, D-11
Law Revision Commission, (Leg), D-7
Lead Hazard Control Assistance Fund, H-19
(DCA), D-56
Legal Services, (L&PS), D-297
Legal Services Fund, H-19
Legal Services of New Jersey - Legal Assistance in Civil Matters
 P.L.1996 c.52, (Treas), D-447
Legal Services Office, (Treas), D-447
Legislative Commission, (Leg), D-8
Legislative Initiative Municipal Block Grant Program,
(DCA), D-60
Legislative Services, Office of, (Leg), D-4

Legislative Support Services (Leg), D-5, D-6
 Liberty Science Center - Educational Services, (DOE), D-108
 Library Aid, (State), D-382
 Library Network, (State), D-382
 Library Services
 (L&PS), D-294
 (State), D-381, D-382
 Life Skills and Leadership Academy, (L&PS), D-293
 Lifeline, (DHSS), D-171
 Lifeline - Energy Assistance.
 See Energy Assistance Programs
 Lifeline Credits, (Treas), D-420
 Literacy Initiative, Governor's, (DOE), D-107
 Local Development Financing Fund, E-6, H-25
 Local Government Services (DCA), D-59, D-60
 Locally Provided Assistance, (Treas), D-439
 Long Term Care Systems, (DHSS), D-164
 Lottery Fund, D-22, D-114, D-250, D-316, D-375, D-411, D-430,
 H-43
 Luxury Tax Fund, H-19

M

Department of Military and Veterans' Affairs
 Overview, D-303
 Military Services, D-305
 Services to Veterans
 Menlo Park Veterans' Memorial Home, D-312
 Paramus Veterans' Memorial Home, D-313
 Veterans' Program Support, D-309
 Vineland Veterans' Memorial Home, D-314
 Miscellaneous Commissions
 Overview, D-449
 Science and Technical Programs
 Delaware River Basin Commission, D-451
 Interstate Environmental Commission, D-450
 SMART Research and Development Compact, D-452
 Governmental Review and Oversight, Council On Local
 Mandates, D-453
 Managed Care Initiative, (DHS), D-204
 Management and Administration, (Judic), D-479
 Management and Administrative Services, (PUB ADVO), D-326
 Management and Budget, (DHS), D-246
 Marie H. Katzenbach School for the Deaf (DOE), D-100
 Marketing and Development Services (NJDA), D-18, D-19
 Marriage License Fee, D-40
 Maternal and Child Health Services, (DHSS), D-159
 Meadowlands Commission, (DCA), D-49
 Medicaid High Occupancy - Nursing Homes, (DHSS), D-172
 Medicaid, Basic Services.
 See Disability Services
 Medical Assistance and Health Services, (DHS), D-201
 Medical Assistance Recipients
 (DHS), D-204, D-205
 (DHSS), D-172
 Medical Day Care Services, (DHSS), D-172
 Medical Education Facilities Fund, E-5
 Medical Emergency Disaster Preparedness for Bioterrorism,
 (DHSS), D-158
 Medical Examiner (L&PS), D-276, D-278
 Medical Malpractice Liability Insurance Premium Assistance
 Fund, H-20
 Medical Services (DHS), D-204
 Medical Services for the Aged (DHSS), D-171
 Menlo Park Veterans' Memorial Home, (DMAVA), D-312
 Mental Health Advocacy, (PUB ADVO), D-326
 Mental Health Assessments, (DHS), D-239
 Mental Health Services, (DHS), D-188
 Mental Health Treatment Services, Additional, (DOC), D-77
 Merit Services, (DOP), D-321
 Miscellaneous Grants-In-Aid, (DOE), D-93
 Miscellaneous Higher Education Programs, (Treas), D-409
 Mobile Response, (DCF), D-39
 Montclair State University, (State), D-365
 Mortgage Assistance Fund, E-5, H-20
 Motor Vehicle Commission Fund, H-39
 Motor Vehicle Security Responsibility Fund, D-390, H-42
 Motor Vehicle Surcharge Securitization Fund, H-20
 Motor Vehicles Surcharge Fund, D-29, H-9
 Municipal Aid Act, (DCA), D-60
 Municipal Courts, (Judic), D-479
 Municipal Homeland Security Assistance Aid, (DCA), D-60
 Municipal Landfill Closure and Remediation Fund, H-21
 Municipal Rehabilitation and Economic Recovery, EDA,
 (Inter), D-459
 Museum Services (State), D-378, D-379
 Mutual Workers' Compensation Security Fund, H-21

N

National Guard Support Services (DMAVA), D-307
 Natural Resources Bonds, E-10
 Natural Resources Engineering (DEP), D-123
 Natural Resources Fund, H-21
 Neighborhood Preservation-Fair Housing, (DCA), D-50
 Network Infrastructure, (Inter), D-469
 New Home Warranty Security Fund, D-51, H-22
 New Jersey After 3, (DOE), D-108
 New Jersey City University, (State), D-357
 New Jersey Institute of Technology, (State), D-351

INDEX

New Jersey Lawyers' Assistance Program, H-25
New Jersey Lawyers' Fund for Client Protection, H-25
New Jersey Network.
 See Public Broadcasting Services
New Jersey Sports Exposition Authority (Inter), D-460
New Jersey Student Tuition Assistance Reward Scholarship
 (NJSTARS I & II), (State), D-341
New Jersey Transit. *See* Railroad and Bus Operations
New Lisbon Developmental Center, (DHS), D-226
Nonpublic Auxiliary Services Aid, (DOE), D-94
Nonpublic Auxiliary/Handicapped Transportation Aid,
 (DOE), D-94
Nonpublic Handicapped Aid, (DOE), D-94
Nonpublic Nursing Services Aid, (DOE), D-94
Nonpublic School Aid, (DOE), D-93
Nonpublic Technology Initiative, (DOE), D-95
Nonpublic Textbook Aid, (DOE), D-94
North Jersey Developmental Center, (DHS), D-223

O

Office of Information Technology, G-7 (Treas), D-434
Office of Management and Budget, (Treas), D-422
Office of Smart Growth (DCA), D-53
Office of the Inspector General, (Treas), D-424
Office of the Public Guardian, (DHSS), D-171
Office of the Secretary of State (State), D-384
Older Americans Act-State Share, (DHSS), D-173
Olmstead Support Services, (DHS), D-190
Operational Costs, (Treas), D-410
Opportunity Program Grants, (State), D-336
Other Inter-Departmental Accounts, (Inter), D-469
Outpatient, (DCF), D-39
Outstanding Scholars Recruitment Program, (State), D-341

P

Department of Personnel
 Overview, D-317
 General Government Services, D-318
Department of the Public Advocate
 Overview, D-323
 Protection of Citizens' Rights, D-324
PAAD (DHSS), D-171
Palisades Interstate Park Commission (DEP), D-123
Paramus Veterans' Memorial Home, (DMAVA), D-313
Parks Management (DEP), D-123
Parole Board, (DOC), D-80
Parolee Electronic Monitoring Program, (DOC), D-80

Partial Care, (DCF), D-39
Passaic River Cleanup Litigation, (DEP), D-134
Patient Care and Health Services,
 (DHS), D-192, D-194, D-195, D-197, D-199, D-200
Payments for Medical Assistance Recipients - Inpatient Hospital,
 (DHS), D-204
Payments on Future Bond Sales, E-12
Pension Obligation Bonds, (Treas), D-440
Pensions and Benefits, (Treas), D-433
Performing Arts Center, (Inter), D-459
PERS Non Contributory Insurance, (Inter), D-465
Personal Assistance Services Program, (DHS), D-212
Personnel Policy Development and General Administration
 (DOP), D-321
Pesticide Control, (DEP), D-145
Petroleum Overcharge Reimbursement Fund, D-51, D-57, D-420,
 D-421, D-456, D-463, H-27
PFRS Non Contributory Insurance, (Inter), D-465
Pharmacy Services, Consulting, (DHS), D-205
Physical Plant and Support Services
 (DOT), D-395
 (State), D-375
Pinelands Commission, (DEP), D-143
Pinelands Development Credit Bank, (B&I), D-28
Pinelands Infrastructure Trust Fund, E-7, H-27
Plant Pest and Disease Control (NJDA), D-18
Police and Firemen's Pension Fund, (Treas), D-439
Police and Firemen's Retirement System
 (Inter), D-465, D-466
 (Treas), D-440
Police and Firemen's Retirement System, (Inter), D-465
Police and Firemen's Retirement System, (Treas), D-440
Police and Firemen's Retirement System - Post Retirement
 Medical, (Treas), D-440
Police Operations (L&PS), D-276
Pollution Prevention Fund, H-27
Port of New Jersey Revitalization, Dredging Bonds, E-10
Post-Retirement Medical
 (DOE), D-109
 (Treas), D-410
Post-Retirement Medical, Other Pension Systems,
 (Inter), D-466, D-467
Preservation Trust Fund, D-13, D-21, D-43, D-52, D-54, D-127,
 D-144, D-431, D-435, D-458, D-463, H-13, H-14
Prevention And Community Partnership Services, D-34
Prevention and Community Partnership Services (DCF), D-37
Prevention and Community Partnerships, D-33
Prevention of Homelessness, (DCA), D-49
Print Shop, (Treas), G-9
Printing Services, G-9

- Private Disability Insurance Plan, (DOL), D-258
Private Institutional Care, (DHS), D-217
Probation Services, (Judic), D-479
Professional Development and Licensure, (DOE), D-107
Property Management and Construction
(Treas), D-433, D-434, G-11
Property Management and Construction - Construction
Management Services, G-11
Property Rentals, (Inter), D-458
Property Tax Freeze, (Treas), D-439
Property Tax Relief Aid, (DCA), D-60
Protection of Civil Rights, (L&PS), D-300
Public Affairs and Education, (Judic), D-479
Public Affairs, Legislative and Regulatory Services, (B&I), D-27
Public Broadcasting Services
(State), D-378
Public Communication, (Treas), G-4
Public Contracts Compliance, (Treas), D-443
Public Defender.
See Treasury, Protection of Citizens' Rights
Public Employees' Retirement System, (Inter), D-465, D-466
Public Employees' Retirement System - Post Retirement
Medical, (Inter), D-465, D-466
Public Health and Environmental Laboratories, (DHSS), G-3
Public Health Protection Services
(DHSS), D-157
Public Information Services, G-4
Public Interest Advocacy, (PUB ADVO), D-326
Public Library Project Fund, (State), D-382
Public Purpose Buildings and Community-Based Facilities
Construction Fund, E-8, H-40
Public Purpose Buildings Construction Fund, E-6, H-40
Public Wastewater Facilities, (DEP), D-139
Pupil Transportation (DOE), D-107
Purchase and Maintenance of MedEvac and Law Enforcement
Helicopters, (L&PS), D-276
Purchase of Social Services, (DCF), D-39
Purchased Residential Care (DHS/0000), D-216
Purchased Transportation, (DOT), D-399
Purchasing and Inventory Management
(Treas), D-433, G-10
- ## R
- Racing Industry Special Fund, H-26
Radiation Protection, (DEP), D-139
Railroad and Bus Operations (DOT), D-398
Ramapo College, (State), D-370
Rate Counsel, (PUB ADVO), D-326
Reader's Guide, A-1
Real Estate Guaranty Fund, D-29, H-28
Real Estate Industry, (B&I), D-27
Real Life Choices, (DHS), D-218
Records Management (State), D-384
Redistricting Commission, (Leg), D-7
Refunding Bonds , E-12
Regional Efficiency Development Incentive (REDI) Grant
Program, (DCA), D-60
Regionalization Incentive Aid, (DOE), D-94
Regulatory and Governmental Affairs, (DEP), D-142
Regulatory Support Services, (Treas), D-419
Rental Assistance Program, (DCA), D-49
Residential Care and Habilitation Services, (DHS), D-220, D-222,
D-224, D-225, D-227, D-229, D-231
Residential Placements, (DCF), D-38
Residential Treatment Center, D-33
Resource Families, D-33
Resource Recovery and Solid Waste Disposal Facility Bonds,
E-10
Resource Recovery and Solid Waste Disposal Facility Fund,
E-7, H-28
Respite Care for the Elderly, (DHSS), D-172
Retail Margin Fund, H-28
Review and Enforcement of Ethical Standards, (L&PS), D-284
Richard Stockton College of New Jersey, (State), D-372
Risk Management, (Treas), D-433
Rowan University, (State), D-355
Rutgers, The State University, (State), D-344

INDEX

S

- Department of State
 - Overview, D-329
 - Higher Educational Services, D-333
 - Agricultural Experiment Station, D-346
 - Colleges and Universities, D-343
 - Higher Education Student Assistance Authority, D-337
 - Kean University, D-360
 - Montclair State University, D-365
 - New Jersey City University, D-357
 - New Jersey Institute of Technology, D-351
 - Ramapo College, D-370
 - Richard Stockton College of New Jersey, D-372
 - Rowan University, D-355
 - Rutgers, The State University, D-344
 - The College of New Jersey, D-368
 - Thomas A. Edison State College, D-353
 - University of Medicine and Dentistry, D-348
 - William Paterson University, D-363
 - Cultural and Intellectual Development Services, D-375
 - State Library, D-379
 - General Government Services, Secretary of State, D-381
- Safe Drinking Water Fund, D-131, D-132, H-28
- Safety and Permanency in the Courts, (DCF), D-37
- Safety and Security Services, (DCF), D-37
- Salary Increases and Other Benefits (Inter), D-471
- Sanitary Landfill Contingency Fund, D-132, D-136, H-29
- Satellite-based Monitoring of Sex Offenders Pilot Program, (DOC), D-80
- School Based Programs and Youth Anti-Smoking, (DHSS), D-158
- School Based Youth Program, (DCF), D-39
- School Breakfast - State Aid Grants, (NJDA), D-20
- School Building Aid, (DOE), D-109
- School Choice, (DOE), D-94
- School Construction & Renovation Fund, (DOE), D-109
- School Construction Debt Service Aid, (DOE), D-109
- School Finance, (DOE), D-112
- School Lunch Aid - State Aid Grants, (NJDA), D-20
- Science and Technology Commission, (Treas), D-415
- Science and Technology Grants, (Treas), D-416
- Science, Research and Technology, (DEP), D-130
- Secretary of State, (State), D-381
- Securities Enforcement Fund, (L&PS), D-301
- Senate (Leg), D-2
- Senator Garrett W. Hagedorn Gero-Psychiatric Hospital, (DHS), D-200
- Senior Gold Prescription Assistance Program, (DHSS), D-172
- Service to Local Districts, (DOE), D-107
- Sex Offender Management Unit, (DOC), D-80
- Shellfish and Marine Fisheries Management (DEP), D-123
- Sheltered Workshop Support, (DOL), D-263
- Shore Protection Bonds, E-10
- Shore Protection Fund, D-127, D-128, H-29
- Sick Leave Payments, Unused, (Inter), D-471
- Site Remediation, (DEP), D-134
- Skill Development Homes, (DHS), D-217
- Smart Growth, D-54
- SMART Research and Development Compact, (Misc), D-452
- SMART Research and Development Compact in New Jersey, (Misc), D-452
- Social Security Tax, (DOE), D-109
- Social Security Tax - State, (Inter), D-466, D-467
- Social Services
 - (DHS), D-218
 - (DHSS), D-172
- Social Services Student Loan Redemption Program, (State), D-341
- Social Supervision and Consultation (DHS), D-216
- Solid and Hazardous Waste Management (DEP), D-134, D-145
- Solid Waste Management, (Treas), D-440
- South Jersey Port Corporation Debt Service Reserve Fund, (Treas), D-439
- Special Compensation, (DOL), D-258
- Special Education (DOE), D-93
- Special Education In-District Grants, (DOE), D-93
- Spill Compensation Fund, D-132, D-136, D-141, D-429, H-26
- Spinal Cord Research Fund, H-26
- Stabilization Aid (DOE), D-94
- Stabilization and Reintegration Unit at Albert C. Wagner, (DOC), D-74
- State and Local Government Operations, (DOP), D-321
- State Automated Child Welfare Information System (SACWIS), D-31
- State Capitol Joint Management Commission, (Leg), D-7
- State Central Motor Pool, (Treas), G-8
- State Commission of Investigation, (Leg), D-7
- State Disability Benefits Fund, D-256, D-257, D-259, D-425, D-430, F-6, H-29
- State Farm Operations, Bureau of, (DOC), G-2
- State Incentive Program, (L&PS), D-288
- State Investments Management, (Treas), D-428
- State Land Acquisition and Development Bonds, E-10, H-30
- State Library, (State), D-379
- State Lottery, (Treas), D-428
- State Mortgage Assistance Bonds, E-12
- State Police
 - (Inter/032400), D-465
 - (L&PS/062000), D-277
- State Professional Boards, (L&PS), D-300

- State Recreation and Conservation Land Acquisition and Development Fund, H-30
- State Recycling Fund, H-30
- State Revenues Administration, (Treas), D-428
- State Use, G-1
- State Use Industries, Bureau of, (DOC), G-1
- State/Community Partnership Grants, (L&PS), D-288
- Statewide Automated Child Welfare Information System.(SACWIS), (DHS), D-249
- Statewide Transportation and Local Bridge Bond Act of 1999, E-12
- Statewide Transportation and Local Bridge Fund, E-9, H-41
- Stem Cell Research Institute, (Treas), D-409
- Stock Workers' Compensation Security Fund, H-31
- Stormwater Management and Combined Sewer Overflow Abatement Fund, E-8, H-31
- Student Assistance Programs (State), D-340
- Subsidized Adoption, D-33, D-40
- Substance Abuse
(DHS), D-240, D-244
(DOC), D-80
- Substance Abuse Services, (DCF), D-38
- Superior Court of New Jersey Trust Fund, H-31
- Superior Court-Appellate Division, (Judic), D-479
- Supplemental Security Income (DHS), D-240
- Supplemental Workforce Fund for Basic Skills, D-251, D-265, D-404, D-411, H-32
- Support of the Arts (State), D-378
- Support to Independent Institutions, (Treas), D-409
- Supported Employment Services, (DOL), D-263
- Supreme Court, (Judic), D-479
- System-Wide Program Support, (DOC), D-75
- T**
- The Judiciary
Overview, D-473
Judicial Services, D-474
- Department of Transportation
Overview, D-385
Vehicular Safety, D-387
State and Local Highway Facilities, D-391
Public Transportation, D-395
Regulation and General Management, D-398
- Department of the Treasury
Overview, D-401
Higher Educational Services, D-406
Economic Planning and Development, D-409
Commerce, Economic Growth and Tourism Commission, D-411
Science and Technology Commission, D-413
Economic Regulation, D-415
Governmental Review and Oversight, D-419
Inspector General, D-421
Financial Administration, D-422
General Government Services, D-429
Administrative Law, D-434
State Subsidies and Financial Aid, D-436
Management and Administration, D-440
Protection of Citizens' Rights, D-443
- Department of the Treasury, Management and Administration, E-12
- Department of the Treasury, General Government Services
Distribution Center, G-10
Information Technology, Office of, G-5
Print Shop, G-9
Property Management and Construction, G-11
Public Communication, G-4
State Central Motor Pool, G-8
- Tax Deductions Reimbursement, (Treas), D-439, D-438
- Taxation Services and Administration, (Treas), D-426
- Taxes, Payment In Lieu of, (DEP), D-143
- Teachers' Pension and Annuity Assistance (DOE), D-108
- Teachers' Pension and Annuity Fund - Non-contributory Insurance, (DOE), D-109
- Teachers' Pension and Annuity Fund - Post Retirement Medical, (DOE), D-109
- Teachers' Pension and Annuity Fund - Post Retirement Medical State, (Inter), D-463, D-464
- Temporary Assistance to Needy Families Abbott Expansion, (DHS), D-239
- Temporary Disability Insurance Liability, (Inter), D-464, D-465
- Tenants' Assistance Rebate Program, (Treas), D-420
- Thomas A. Edison State College, (State), D-353
- Tobacco Settlement Fund, F-6, H-32
- Tolls, Taxes, and Other Operating Expenses, (DOT), D-397
- Training School for Boys, (L&PS), D-290
- Transportation Aid, (DOE), D-108
- Transportation Assistance, (DOT), D-397
- Transportation Rehabilitation and Improvement Bonds, E-12
- Transportation Rehabilitation and Improvement Fund, D-394, E-6, H-41
- Transportation Systems Improvements, (DOT), D-394
- Transportation Trust Fund Account, (DOT), D-394
- Treatment Homes and Emergency Behavioral Health Services, (DCF), D-39
- Trenton Capital City Aid, (DCA), D-60

INDEX

Trenton Psychiatric Hospital, (DHS), D-193
Trial Attorney Certification Program, H-32
Trial Court Services, (Judic), D-477
Trial Services to Indigents and Special Programs
(Treas), D-444
Trust Fund Authority, (DOT), D-393
Tuition Aid Grants (State), D-341

U

UMDNJ Self-Insurance Reserve Fund, D-456, F-6, H-34
Unclaimed Child Support Trust Fund, H-33
Unclaimed County Deposits Trust Fund, H-42
Unclaimed Insurance Payments on Deposit Accounts Fund, H-42
Unclaimed Utility Deposits Trust Fund, H-33
Unemployment Compensation Auxiliary Fund,
D-256, D-264, D-265, H-33
Unemployment Compensation Fund, D-150, D-455, H-43
Unemployment Insurance for Joint Tax Functions, (DOL), D-258
Unemployment Insurance Trust Fund, D-251
Uniform Construction Code, (DCA), D-49
Uniform Fire Code (DCA), D-49, D-50
Unit Dose Contract Services, (DHS), D-205
Universal Services Fund, H-34
University of Medicine and Dentistry, D-40,
(DHS), D-190
(State), D-348
Unknown District of Residence, (DOE), D-95
Unsatisfied Claim and Judgment Fund, D-23, D-24
Urban and Rural Centers Unsafe Buildings Demolition Bonds,
E-12
Urban and Rural Centers Unsafe Buildings Demolition Revolving
Loan Fund, H-34
Utilities and Other Services, (Inter), D-456

V

Veterans Haven, (DMAVA), D-310
Veterans' Outreach and Assistance (DMAVA), D-310
Veterans' Program Support, (DMAVA), D-309
Veterans' Property Tax Deductions, (Treas), D-438
Victims of Crime Compensation Board (L&PS), D-300
Vietnam Veterans' Memorial Fund, H-34
Vineland Developmental Center, (DHS), D-221
Vineland Veterans' Memorial Home, (DMAVA), D-314
Vital Statistics, (DHSS), D-157
Vocational Education (DOE), D-103
Vocational Rehabilitation Services (DOL), D-262
Volunteer Emergency Service Organizations Loan Fund, H-35

W

Wastewater Treatment Fund, D-140, H-35
Water Conservation Bonds, E-10
Water Conservation Fund, H-35
Water Monitoring and Standards (DEP), D-130
Water Pollution Control (DEP), D-139, D-145
Water Resource Interconnection Projects, (DEP), D-131
Water Resources and Wastewater Treatment Trust Fund, H-36
Water Resources Monitoring and Planning, (DEP), D-130
Water Supply (DEP), D-130
Water Supply Fund, H-36
Water Supply Replacement Trust Fund, H-37
Watershed Management, (DEP), D-130
Watershed Restoration Projects, (DEP), D-131
Wildlife Management (DEP), D-123
William Paterson University, (State), D-363
Women's Programs (DCA), D-56
Woodbine Developmental Center, (DHS), D-225
Woodbridge Developmental Center, (DHS), D-228
Work First New Jersey (DHS), D-240, D-264
Worker and Community Right to Know Fund, D-140, D-161,
D-265, H-37
Workers Compensation Security Fund, H-37
Workers' Compensation, (DOL), D-258
Workers' Compensation Self-Insurance Fund, (Inter), D-459
Workforce Development Partnership Fund,
D-251, D-264, D-265, H-27
Workplace Standards, (DOL), D-262

Y

Youth and Family Services, D-33
Youth Case Managers, (DCF), D-39
Youth Corps, (DOL), D-264
Youth Incentive Program, (DCF), D-39

**Acknowledgements: Cover photos of New Jersey State House
and Cape May lighthouse compliments of the New Jersey
Commerce & Economic Growth Commission**