

**Fiscal 2005**

**BUDGET  
IN  
BRIEF**



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## OVERVIEW

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

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

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

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

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

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

- \$445 million in additional aid to school districts, including \$190 million in formula and supplemental assistance and \$45 million for increased school construction debt service costs;
- \$32 million increase in municipal aid programs for local property tax relief;
- Preservation of the direct property tax relief programs, providing NJ SAVER checks averaging \$250 and Homestead Rebate checks up to \$775; and \$25 million in additional funding to restore the benefits not provided in the Fiscal 2004 Budget for approximately 80,000 recipients of Property Tax Reimbursement checks as well as new PTR "Senior Freeze" applicants who did not receive program benefits last year;
- Continued support for Governor McGreevey's high priority programs such as Cancer Research, Early Childhood Education, Literacy and Homeland Security.

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

### Fiscal 2004 – Managing the Current Budget

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

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

In a break from the past, revenue growth in fiscal 2004 has been stronger than anticipated, triggered both by a

rebounding economy and the Governor's key economic development initiatives such as aggressive school construction, increased road construction, improved brownfield redevelopment initiatives, reform of business incentive grants, and targeted investments in all parts of the state, including the Meadowlands and Camden. As a result, the Fiscal 2004 Budget will accommodate an estimated \$539 million in supplemental appropriations without the need for mid-year spending constraints or hiring freezes which disrupt operational planning and service delivery.

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

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

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

## Fiscal 2005 Budget

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

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

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

- \$205 million increase in direct aid to all school districts;
- \$113 million increase for higher education, including \$10 million for a new tuition assistance program for community colleges entitled NJ STARS and a \$20 million increase for Tuition Aid Grant (TAG) programs;
- \$125 million increase for Child Welfare Reform;
- \$85 million increase for New Jersey Transit to avoid any fare increase;
- \$25 million increase to fund the Senior Property Tax Freeze, ensuring that 130,000 eligible seniors will receive benefit from this program;
- \$24.4 million increase to programs that support the developmentally disabled;
- \$21 million increase to provide a 1% COLA to community provider organizations;
- \$20 million increase for enhancement to the 911 systems;
- \$18 million increase in various health care programs;
- \$15 million for the first year of the NJ After 3 program that will provide structured after-

school care for 20,000 children in the 2004-2005 school year;

- \$15 million for the first year of the Early Launch to Learning Initiative (ELLI) that will provide increased access to high quality preschool for four year-olds in non-Abbott school districts;
- \$15 million increase in Charity Care payments to hospitals;
- \$11.2 million increase in support of the arts, history and tourism from the hotel/motel revenue dedication;
- \$6.6 million increase in community alternatives to prison and drug court programs;
- \$5.9 million increase for State Police vehicles and the training of 200 more State troopers;
- \$4 million increase in capital funds for State parks;
- \$3.3 million increase for operating support and capital funding for veterans' homes and;
- \$2.7 million increase in cancer screening programs.

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

- \$1.52 billion from the securitization of motor vehicles surcharges and new revenue from a 45 cent increase in the cigarette tax;
- \$275 million from extending the suspension of the Corporation Business Tax – Net Operating Loss (NOL) provision for an additional two-year period, from January, 2004 to December, 2005;
- \$199 million package of surcharges on pollution-related sources, including a new Petro-Chemical Environmental Impact Fee that will raise \$150 million, as well as an increase in the Spill Compensation Fund (\$20 million) and surcharges on the sale of new tires (\$12 million), disposal of hazardous waste at New Jersey facilities (\$11 million) and on air toxic emissions (\$6 million), the latter of which are suspected carcinogens;
- \$135 million from a 45 cent increase in the cigarette tax, from the current \$2.05 to \$2.50 per pack;
- \$115 million from a new funding package related to Charity Care. The new proposal includes an assessment on ambulatory medical facilities (\$31 million) and adds a new \$5 charge on hospital outpatient visits (\$34

million). It also raises the existing hospital assessment from .53% of annual revenues to .70% (\$50 million); however, funding to hospitals will actually increase due to increases in recommended State funding and matching federal funds;

- \$90 million from the pre-payment of four years worth of registration fees on new car purchases, the same as the inspection period for new cars, with leased vehicles paying in accordance with the term of the particular lease;
- \$70 million from an increase in the Realty Transfer Tax based on a three-tiered structure tied to the sale price of eligible or deeded sales, including residential and commercial property (no home valued at below \$150,000 would be affected);
- \$54 million by maintaining the Transitional Energy Facilities Assessment at its current level through fiscal 2005;
- \$50 million from a new surcharge on unsafe driving and an increase in the existing surcharge for accumulating at least six points from motor vehicle violations;
- \$33 million from a tax on wireless telephone towers to provide enhanced 911 service as well as security and counter-terrorism investments;
- \$25 million from a tax enforcement package, including upfront withholding on the sale of real estate by non-residents and on the activities of out-of-state contractors operating in New Jersey;
- \$24 million from an assessment of 1% on home sales valued in excess of \$1 million, paid by the purchaser.

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

- \$110 million from the State Disability Benefits (TDI) Fund;
- \$100 million from the Unemployment Insurance Fund to offset the cost of Charity Care and Medicaid;
- \$35.5 million from the Workforce Development Fund to provide ongoing job training services to welfare clients;
- \$8 million from the Supplemental Workforce Fund for Basic Skills to support remedial courses at the State's county colleges.

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

## **Fiscal 2005 Budget Compared to Fiscal 2004 Budget**

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

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

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

## **GOVERNOR MCGREEVEY'S PRIORITIES**

### **Education**

#### **The Preschool Advantage**

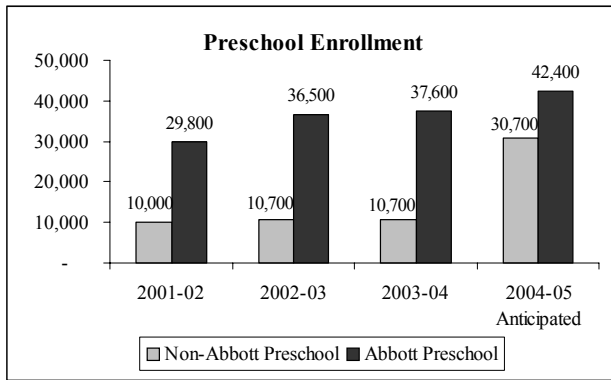
Recognizing the significance of recent research that has established the importance of a quality education during a child's early years, Governor McGreevey has made a firm commitment to expand and enhance preschool for New Jersey's children. The National Institute for Early Education Research recently ranked New Jersey first in the nation in preschool quality and funding. The Administration's approach to early childhood education is comprehensive, involving both the Departments of Education and Human Services. It integrates educational, social, and family programs to promote the academic and social development needed for kindergarten, higher grades, and beyond.

The Department of Education expects preschool enrollment in the Abbott districts to grow to over 42,000 for the 2004-2005 school year, an increase of more than

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

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

A second form of State preschool aid—Early Childhood Program Aid—supports an additional 43,454 preschoolers and kindergartners in 132 high poverty districts around the State. The Fiscal 2005 Budget recommends \$330.6 million for this program. Governor McGreevey has proposed a new category of early childhood State aid for fiscal 2005. The Early Launch to Learning Initiative (ELLI) will increase access to high quality preschool for four year-olds by approximately 20,000 children in the 2004-2005 school year. The number of participating districts, as well as State funding, will increase until all interested districts are included in future years. The initial State appropriation of \$15 million will support low-income children outside Abbott districts and substantially offset the cost of offering preschool to all eligible children in participating districts. In the first year, ELLI will increase the percentage of four year-olds in New Jersey with access to high-quality preschool to over 52% of the total population. The percentage of low-income four year-olds with access to high-quality, State-funded preschool will increase to over 70%.



### School Construction

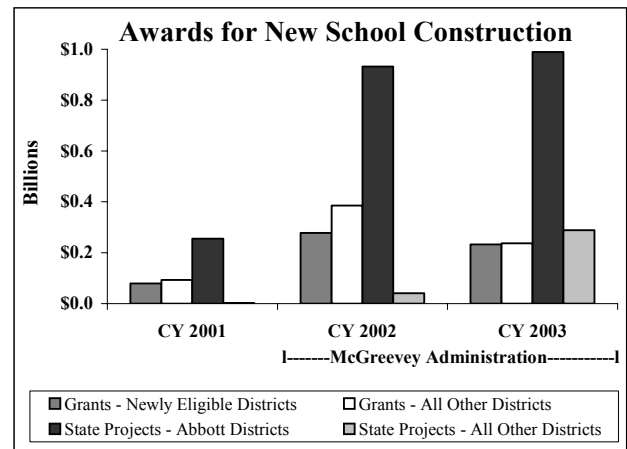
The Educational Facilities Construction and Financing Act of 2000 laid the framework for the largest school construction program in the nation. Every district became eligible for school construction aid and all districts saw an increase in the percentage of State support, which now ranges from 40% to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

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

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

retroactive aid, 58 were previously ineligible for school construction aid.

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



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

### Early Literacy

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

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

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

### New Jersey After 3

New Jersey After 3, one of Governor McGreevey's new education initiatives for fiscal 2005, is a public-private partnership established to increase the availability of structured after-school care. With more women working outside the home and the growth of single-parent families, after-school childcare has become a critical issue for New Jersey families. More than ever before, children are home alone after school, unsupervised and exposed to injury, crime, and drug and alcohol abuse. At the same time, more rigorous standards for higher academic performance pose new challenges for students. After-school programs offer children safe and supervised places to go after school and extend learning opportunities that can improve students' academic performance.

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

donations and local contributions, as well as \$13.5 million in federal funds provided through 21<sup>st</sup> Century Community Learning Centers grants.

### School Impact Fees for Developers

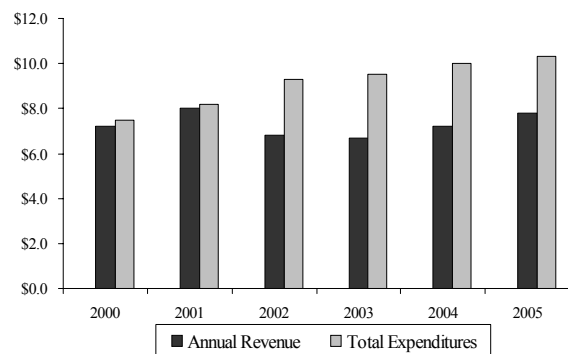
Governor McGreevey has worked relentlessly to hold developers accountable for the costs they exact on communities, championing some of the most progressive regulations in the nation to protect water quality and open space from unbridled growth. New housing developments impose particularly acute strains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

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

### Taxpayer Relief

Despite the fact that Gross Income Tax (GIT) revenue projected for fiscal 2005 is still below the level realized in 2001, this Budget continues Governor McGreevey's commitment to increase funding for Property Tax Relief. Specifically, the Governor's Fiscal 2005 Budget recommendation for Property Tax Relief programs supported by the Gross Income Tax totals \$10.3 billion while GIT revenue is projected at only \$7.8 billion, essentially providing \$2.5 billion or 32% more than the amount furnished by GIT revenues.

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



### School Aid

Despite the fiscal challenges of the last several years, Governor McGreevey has steadfastly refused to balance the State's budget at the expense of New Jersey's

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

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

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

State aid to local school districts is the single largest purpose to which State funds are devoted. While increases in State aid can provide a reprieve, long-term property tax relief depends on efficient management of school revenues and expenditures. The Department of Education has recently been charged with developing a model of district efficiency that is compatible with New Jersey's rigorous academic standards. The Department will use the model and other tools to help local school districts identify administrative inefficiencies and opportunities for savings, as well as to compare their administrative spending with a statewide benchmark

range. These are the first steps in the Governor's effort to ensure that taxpayers do not foot the bill for school districts that refuse to adopt reasonable standards for efficient non-instructional spending. The Administration also feels strongly that those school districts that get it right—delivering exceptional student achievement *and* good value for taxpayers—deserve to be rewarded. The Governor's budget recommends \$5 million in incentives for these model districts.

Finally, the Fiscal 2005 Budget will provide almost \$1.6 billion in property tax relief through State payment of local teachers' benefits and school construction. State payments for teacher benefits will increase by \$135 million over fiscal 2004, due to a \$118 million increase in post-retirement medical benefit costs and a \$21 million increase in the employer share of Social Security taxes, which are offset by savings on pension obligation bonds. School building aid will increase \$37 million over fiscal 2004. This funding shields property taxpayers from spiraling health and pension costs that would otherwise have to be borne locally, and provides New Jersey schoolchildren with state-of-the-art learning facilities at minimal property tax expense.

### **Municipal Aid**

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

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

#### *Taxpayer Hero Grants*

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

#### *Regional Efficiency Development Incentive Grants*

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

#### *Regional Efficiency Aid Program*

The REAP program rewards towns that have already consolidated services and reduced municipal spending. In fiscal 2005, fourteen municipalities will continue to

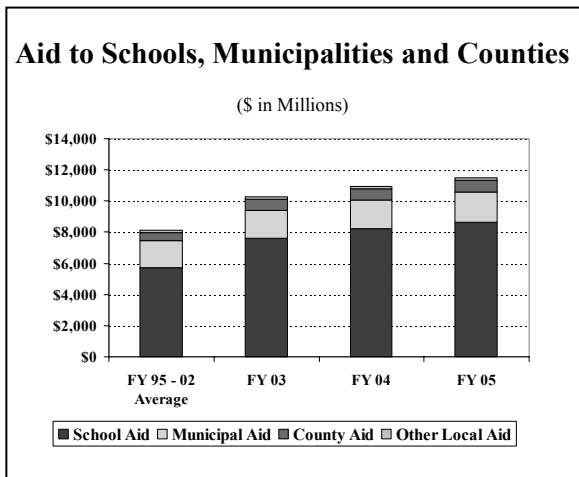


receive aid under this program, which is budgeted at \$10 million.

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

The Budget also includes funding for:

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



**Other Local Aid**

Funding for other local aid programs that are not exclusively municipal aid increases by \$52.7 million in fiscal 2005. The most significant of the increases, \$14.7 million, is for 911 service enhancement which is funded at a level of \$14.9 million in fiscal 2005. The largest increase, at \$21.8 million, boosts to over \$60 million the total pension contributions that the State makes to local police and fire pension funds. Other State aid increases include General Assistance Administration (\$7.7 million) and County College Aid (\$6.1 million), and

there is new funding of \$2.3 million in fiscal 2005 to aid localities in cleaning up scrap tire piles. Other aid programs continue at level funding, including DEP's Stormwater Management Grants program at \$6 million.

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

*Hotel Motel Tax*

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

*Urban Enterprise Program – Sales Tax Dedication*

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

**Direct Property Tax Relief**

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

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

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

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

Qualified veteran residents will continue to receive a \$250 property tax deduction, and qualified senior and

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

The property tax deduction will save property tax owners \$361 million against their State income tax liability in fiscal 2005, an increase of approximately \$20 million or 6%. The New Jersey Earned Income Tax Credit (EITC) program provides families with 20% of their federal EITC benefit. In fiscal 2005, this benefit is estimated at \$100 million, of which \$18.4 million will be paid from the federal welfare block grant.

### Smart Growth and the Environment

#### Parks Capital

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

#### Environmental Infrastructure Investments

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

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

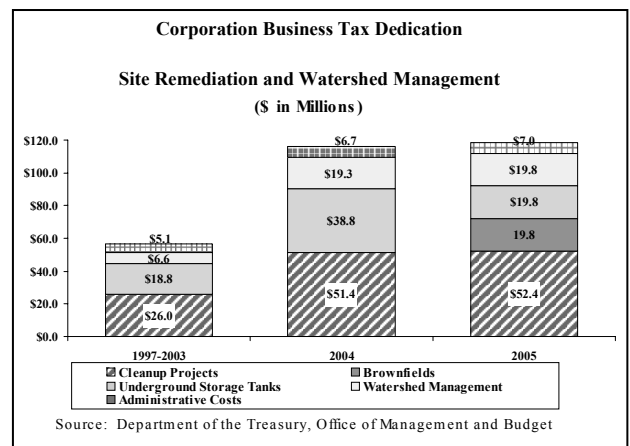
Voters also approved more than \$100 million for open space purchases and community park improvements. The constitutional amendment will increase the bonding capacity of the Garden State Preservation Trust by \$150

million, from the \$1 billion that voters approved in 1998 to \$1.15 billion. The increased capacity will place no additional tax burden on New Jersey taxpayers, however. The sales tax dedicated in 1998 to pay off Garden State Preservation Trust bonds will cover these additional bonds, which will take advantage of today's lower interest rates.

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

#### Corporation Business Tax (CBT) Dedication

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



#### Smart Growth

This budget continues a \$1.5 million appropriation that was first provided as supplemental funding in fiscal 2004 for 30 new permit review staff whose primary goal is to

protect New Jersey's water, air and other natural resources from unrestrained, haphazard growth. These staff, most of whom are located in DEP's Land Use Regulation (12), Water Supply (7), and Safe Drinking Water (5) programs, will concentrate on development projects that affect multiple programs, thus ensuring a coordinated review. The Department is also focusing on the cross acceptance aspects of these permits and on expediting projects in areas that have been approved for growth.

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

### **Regulatory Initiatives**

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

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

The Governor also signed into law the "Clean Car Act," adopting the stricter California Clean Car emissions standards on automobiles sold in New Jersey. Since cars are responsible for approximately 40% of the in-state air pollution, this represents a critical first step toward the Governor's goal of reducing air pollution emissions in New Jersey by 20% over the next 10 years. Adopting

the California standard is expected to reduce air toxins by as much as 20% beyond the federal standard and, when combined with the promotion of cleaner vehicles, to reduce smog by 19% by the year 2020.

### **Motor Vehicles Commission**

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

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

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

### **Health and Welfare**

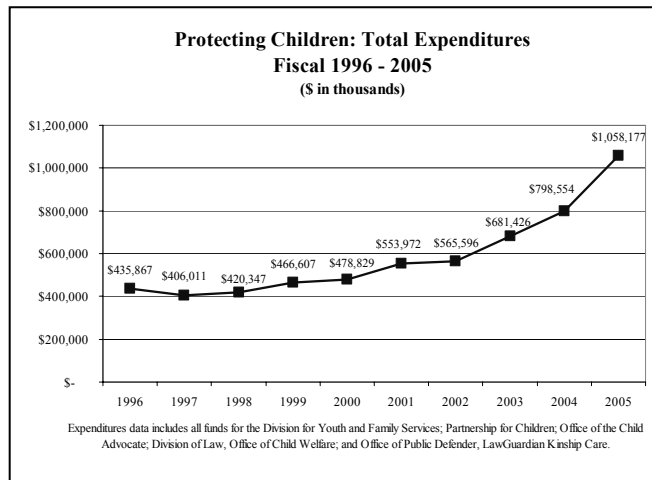
#### **Child Welfare Reform**

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

Under a plan submitted by the Department of Human Services to the New Jersey Child Welfare Panel, caseloads of Division of Youth and Family Services (DYFS) workers would be dramatically reduced to among the lowest in the nation. In addition, the monthly reimbursement rate for foster parents would be increased by nearly 25%, investigators trained in forensics will respond to all allegations of abuse or neglect within 24

hours, and substantial funding will be provided for the creation of a vast array of local support services for at-risk families.

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



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

### Charity Care

The mix of funding for Charity Care assistance to state hospitals is recommended to change considerably in fiscal 2005, due largely to the fact that revenue from the State's Unemployment Insurance diversion will decline from \$275 million in fiscal 2004 to \$50 million in fiscal 2005. To help replace these revenues, it is proposed that a fee on ambulatory medical facilities be assessed to generate \$31 million and a new \$5 charge on hospital outpatient visits be assessed to raise \$34 million. While

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

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

### Cancer Research

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

Nearly 70% of these funds (\$71 million) were provided to the Cancer Institute of New Jersey (CINJ), including \$56 million over the three-year period for operating costs and \$15 million in capital for facility expansion. CINJ received the prestigious designation as a Comprehensive Cancer Center, the highest recognition afforded by the National Cancer Institute (NCI), and thus is one of only 39 such centers in the nation and the only one in New Jersey. In addition, a website has been developed entitled NJ Cancer Trials Connect ([www.njctc.org](http://www.njctc.org)) to provide current information about clinical trials, thereby greatly increasing patients' access to the leading edge in cancer research and treatment.

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

have to travel to Philadelphia for quality cancer services and treatment.

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

**Prescription Drugs – PAAD/Senior Gold**

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

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

**Long Term Care**

**Caregivers**

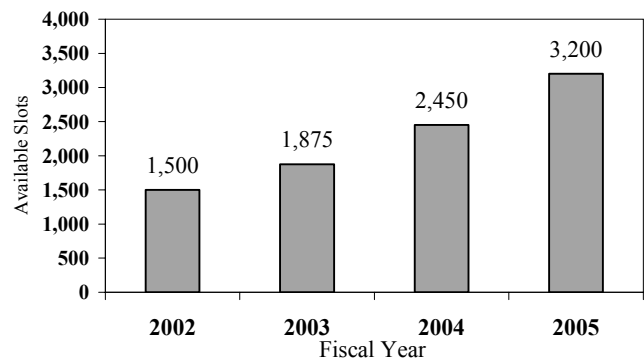
A new program entitled New Jersey Caring for Caregivers is recommended to receive \$2 million in funding in fiscal 2005, providing new services to the people who make it possible for aging seniors to live in their own homes. It is estimated that approximately 800,000 adults provide some type of caregiving service to elderly or disabled adults. The need for such care is expected to increase significantly in the future due to the gradual increase in our elderly population, particularly the age 85+ cohort which is expected to rise by over 50% by the year 2010. Given the shortage of home care workers, there is a pressing need to help caregivers balance their caregiving responsibilities with employment and normal, daily chores. This type of care is constant and, at times, overwhelming. By restoring a degree of flexibility and control over their lives, caregivers will be better equipped to cope with the physical and emotional distress of their responsibilities.

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

**Assisted Living**

The Budget supports an additional 750 slots for the Assisted Living program, which provides a cost effective, community-based alternative to nursing home care for the Medicaid population. The program combines housing, personalized support, and health care services to those who need help with the daily activities but do not require nursing home care. As a result, a savings of \$9.3 million is anticipated in nursing home costs. As noted in the chart below, Governor McGreevey has more than doubled the number of Assisted Living slots, increasing program capacity by 1,700 or 113% from 1,500 in fiscal 2002 to a projected 3,200 in fiscal 2005.

**Assisted Living**



**Global Budget**

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

## **Nursing Homes and Alternatives**

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

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

If the federal government approves New Jersey's pending initiative for a Nursing Home Provider Tax Assessment, the savings actions noted above for not re-basing nursing home rates in fiscal 2005 (\$31.5 million), reducing funds recognized by Medicaid for nursing home costs (\$10 million), and lowering the reimbursement for nursing home holding beds (\$5.2 million) will be reversed.

## **Cardiovascular Care**

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

The Budget includes a new appropriation of \$2 million for a Cardiovascular program in the Department of Health and Senior Services. Funding will be used to promote awareness of the risks and manifestations of heart disease, its prevention, effective diagnostic and therapeutic interventions, and available resources within the State. In addition, the Department will develop and

implement initiatives to reduce the risk of heart attack, stroke, and cardiovascular mortality for the residents of New Jersey, and will target communities at highest risk.

## **Medicaid/Family Care – Preserving Services**

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

### *Operational Efficiencies*

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

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

- Save \$5.5 million by increasing data mining projects, which are technology-based solutions used to research data and provide ideas for efficiency and effectiveness. One example would be to review the beneficiary eligibility file by using a data model process to identify beneficiaries who may not be eligible;
- Save \$5 million by identifying Medicaid managed care beneficiaries who are found to have duplicate coverage under commercial or Medicare managed care plans and disenroll them from Medicaid. The alternative health care plan would become the primary payer and wrap-around services will be extended to disenrolled beneficiaries to maintain the Medicaid level-of-care;
- Save \$5 million by improving the administrative coordination of health benefits (i.e., medical costs), and increasing third-party recoveries from other insurance companies, such as Medicare and commercial plans;
- Save \$2.5 million by improving the point-of-sale coordination of pharmacy benefits (i.e.,

prescription drugs) with third party insurance companies, such as Medicare and commercial plans;

- Save \$2.5 million by adopting the edits used by retail pharmacists (e.g., no early refills, concurrent duplicate medications, incompatible polypharmacy medications) into the long-term care drug system, including nursing homes.

### *Optional Services*

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

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

The Governor's Budget maintains the same level of optional services as had been provided to beneficiaries in fiscal 2004, such as dental services, optometry, optical appliances, podiatrists, chiropractic, psychiatrist services, hearing aids, prosthetics, orthotics, durable medical equipment, medical supplies, residential treatment centers, intermediate care facilities, non-federally qualified health centers (FQHC) clinic services, personal care services, medical day care, and hospice.

### *Prescription Drugs*

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

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

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

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

### *Managed Care*

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

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

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

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

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

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

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

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

#### *Children's Behavioral Health Services*

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

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

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

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

As part of the Division of Developmental Disabilities' (DDD) ongoing Community Service Waiting List initiative, funding will be available to place 200 people from the existing Community Services Waiting List and Community Transition in fiscal 2005. One hundred people will be placed in group homes, 24 in supervised

apartments and 76 in existing vacancies. The total cost for development of 50 homes, new placements and full year funding for costs deferred from fiscal 2004 is \$13.1 million.

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

In addition, Developmental Center Enhancement funding of \$4.9 million is recommended to prevent the developmental centers from losing federal certification/funding. These funds will also be used to encourage the recruitment of nurses, update equipment, purchase additional vehicles, and provide community placements and work programs.

#### **Mental Health Community Programs**

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

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

#### **Homeland Security**

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

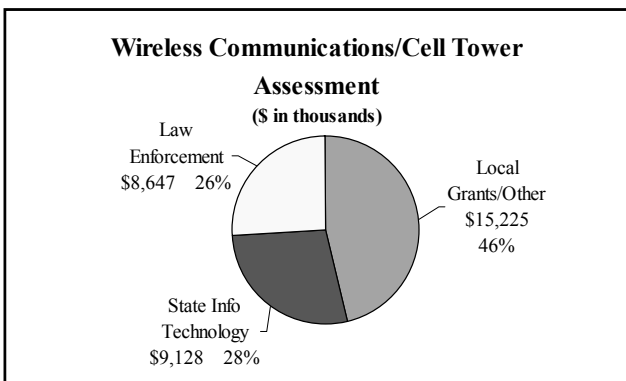
This commitment has leveraged over \$386 million in federal funds during the three-year period. About 65% of these funds are administered by the Department of Law and Public Safety, much of which (50 to 80%) is forwarded to local governments for equipment and training for first responders or for infrastructure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



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

### Wireless Telecommunications/Cell Tower Assessment

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



The remaining \$8.6 million will be used to enhance law enforcement services related to Homeland Security, including \$3.9 million to purchase approximately 400 new patrol cars for the State Police and support salary

and training costs for new State Troopers, and \$4.7 million to support security details at the State's nuclear power plants. Legislation will be introduced to ensure that the cost of the assessment is not passed on to seniors, the disabled, or State government agencies. This initiative will benefit over 3 million wireless customers in New Jersey.

### Four New Trooper Classes

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

### Veteran's Programs

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

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

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

A total of \$2.1 million in new capital funding is also recommended. Of this total, \$627,000 will furnish the State share for the construction of an all-purpose room at the Paramus Veterans' Home. Resident activities are currently conducted in the cafeteria, which disrupts the

scheduling of meals. The all purpose room will provide a separate and dedicated area for social gatherings and volunteer work, and will greatly enhance the quality of life for residents. This investment will leverage a considerable amount of non-State funds, including a 65% share (\$1.4 million) from the federal Veterans Administration and a \$135,000 pledge from a local non-profit organization.

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

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

### Arts, History and Tourism

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

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

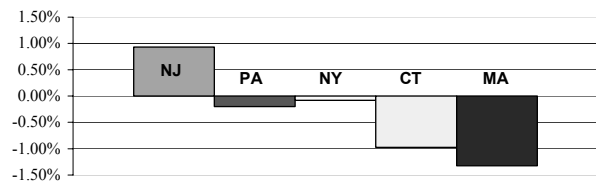
### Economic Development

New Jersey's improved fiscal and economic picture has coincided with implementation of Governor

McGreevey's economic development strategy of new investment in the transportation system and school construction, a new and improved Business Employment and Incentive program, and targeted investments in projects such as the City of Camden's revitalization and Xanadu in the Meadowlands.

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

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



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

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

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

Public/private partnerships are also at the heart of the Governor's economic strategy for targeted investments in Camden and the Meadowlands. Under the Governor's leadership, the Economic Recovery Board in Camden is

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

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

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

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

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

These efforts and innovations continue in fiscal 2005. The new budget expands the Technology Tax Credit Transfer Program, a \$40 million program that allows small start-up technology companies to sell their net operating losses to profitable companies. The transaction provides vital cash flow to help small companies grow their business. Last year, the program attracted 193 applicants to a limited supply of credits.

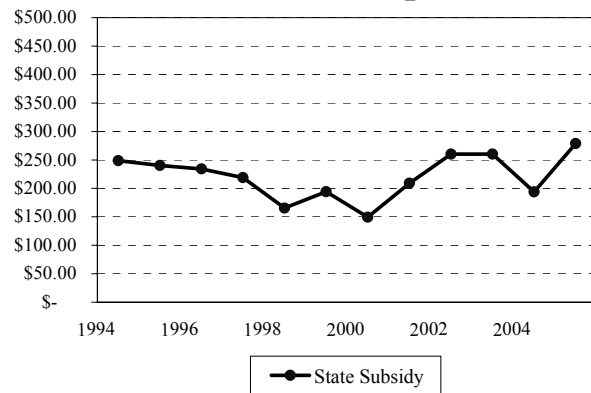
This program will be expanded by \$20 million to \$60 million to meet fervent demands from growing companies.

### New Jersey Transit

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

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

### NJ Transit Corporation



### Higher Education

The Budget provides \$1.96 billion in overall support of the State's higher education system in fiscal 2005, a \$113.3 million, or 6.1% increase in funding from the fiscal 2004 level.

The State's senior public colleges and universities would receive \$1.34 billion in overall support in fiscal 2005. This is an increase of \$68.3 million, or 5.4%. The direct State support to the institutions would remain at the fiscal 2004 level with the exception of the elimination of a few one-time appropriations such as the \$5 million that

was appropriated to Rutgers in fiscal 2004 for costs associated with the proposed merger of Rutgers, UMDNJ and NJIT. Direct operating support for these institutions will total \$814.3 million in fiscal 2005.

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

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

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

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

Despite the difficult budget climate, the Budget increases the funding level for the State's 14 independent colleges and universities by \$500,000. These institutions serve an important role in providing higher education for 24,000 New Jersey residents.

### **Student Financial Assistance**

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

### **Tuition Aid Grants**

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

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

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

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

### **NJ STARS Program**

Due to the increasing cost of college, not all of New Jersey's top performing high school graduates are able to capitalize on their academic success. Some of these students are forced to make a decision between taking out thousands of dollars in student loans or forgoing higher education altogether. Missing out on college significantly hampers their earning power, as students who obtain an associate degree will earn \$400,000 more in additional lifetime income over the course of their careers, or 37% more than those with only a high school diploma.<sup>1</sup>

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

NJ STARS will guarantee that every New Jersey high school student who graduates in the top 20% of his or her high school class and wants to go to a New Jersey

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

community college will have tuition and fees covered for two years. To be eligible, a student must:

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

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

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

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

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

- According to the National Institutes of Health, stem cell research offers the possibility of treatment for those with Parkinson's and Alzheimer's diseases, spinal cord injury, stroke, heart disease, diabetes, and many other

diseases, providing hope to hundreds of thousands of families affected by chronic and life-threatening disease.

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

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

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

- The New Jersey Stem Cell Institute will be jointly operated by the University of Medicine and Dentistry of New Jersey and Rutgers University based in a new facility to be built in New Brunswick;
- A public-private partnership will be created to oversee the development of the Institute, which is expected to be a more than \$50 million initiative over the next five years. At the direction of the Governor, the Commission on Science and Technology will convene a working group to pursue the Institute's development;
- An initial \$10 million public-private Stem Cell Fund will be created this year that will include Governor McGreevey's commitment of \$6.5 million, which includes \$4 million in prior year balances, to begin planning and recruitment of top researchers from around the world. The remaining \$3.5 million will be funded through a variety of sources, such as the National Institutes of Health and private grants from corporations;
- The Institute will be one of the first of its kind in the country, and certainly the first to form a real partnership between research universities, a medical school, and private interests;
- Background information on Stem Cells, including a primer and glossary, can be found at <http://stemcells.nih.gov/>.

### **Capital Grants and Facility Support**

Finally, the Budget provides \$84.3 million in State support for various bond issues that have provided capital grants and facilities support for the higher education institutions. This is an increase of \$5.3

million, or 6.7%. Among these programs is the Dormitory Safety Trust Fund, P.L. 2000, c. 56, which mandates the installation of automatic fire suppression systems in every residence hall on New Jersey college campuses by the summer of 2004. Many institutions have completed this important work ahead of the statutory deadline, and every college is on target to achieve 100% compliance before the start of the fall semester.

### **Employee Benefits**

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

The fiscal 2005 recommended amount for State PERS and TPAF is \$412.4 million, which includes \$192 million of post-retirement medical costs, \$9.8 million of post-retirement costs for TPAF, \$21.9 million of pension contribution costs for PFRS, \$116.1 million of pension contribution costs for the Alternate Benefits Program, and \$6.1 million of pension contribution costs for the Judicial Retirement System. Another \$3.8 million is appropriated for pension funds and other specially legislated retirement provisions. Recommended appropriations for debt service payments on the pension obligation bonds total \$62.7 million in fiscal 2005.

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

### **Salary Program**

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

## **Other Key Initiatives**

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

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

### **State Commission on Investigation**

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

### **Office of Faith Based Initiatives**

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

### **School Breakfast**

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

## **Lead Poisoning**

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

Currently, State resources are focused on screening children for lead poisoning and abatement, strategies that are intended to identify children who have been exposed to lead-based paint and to remove the source of the lead. To significantly reduce the number of children who are lead poisoned, however, the State must also focus on prevention. Testing for the presence of lead-based paint in the home *before* a young child is exposed is a particularly effective method, especially in the homes of expectant mothers.

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

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

## **State Legal Services**

An increase of \$2 million is recommended for the State Legal Services Office in fiscal 2005, providing 17% more than the fiscal 2004 grant appropriation of \$12 million. Due to a decline in trust fund-related resources

attributable to the drop in interest rates, this increase is necessary to maintain staff and civil legal services for approximately 50,000 low income New Jersey residents.

## **Sports Authority**

By controlling its expenses and expanding the schedule of popular performers, the New Jersey Sports and Exposition Authority (NJSEA) has offset the need for any additional State funding for operating costs in fiscal 2005. In fact, fiscal 2005 will be the second consecutive year that no operating subsidy will be required, a trend that contrasts markedly with the \$11 to \$15 million annual appropriation formerly provided for this purpose from fiscal 1999 through fiscal 2002. The Authority fully expects to continue this practice in the future, due in part to the aggressive pursuit of additional revenue opportunities, including the Xanadu redevelopment project at the Meadowlands Sports Complex. In addition to creating thousands of jobs, Xanadu will provide property tax relief to the people who live in the Meadowlands District. The Authority is also in the process of implementing a master plan for horse racing at the Meadowlands to encourage the growth of that vital industry.

## **Women's Programs**

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

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

## **Records Management**

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

document or per page) are deposited in this account. Highlights include:

- Projected annual revenue for fiscal 2004 is \$70 million and the same amount is projected for fiscal 2005. Collections through the end of 2003 total \$36.5 million;
- Funding may be used by State or local government agencies to support the management, storage, and preservation of public records. Distribution will begin in fiscal 2005, by which time the Department of State's Division of Archives and Records Management (DARM) will have developed grant guidelines to govern this process;
- In fiscal 2005, DARM will receive an appropriation of \$2.1 million from this account, an increase of \$500k over its fiscal 2004 appropriation of \$1.6 million. An additional amount will be added through budget language, not to exceed \$3 million.

### **Management Efficiencies**

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

### **Workers' Compensation**

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

### **Local Savings – Energy Aggregation**

Occasionally, a "good government" story at the State level can be expanded to drive down the cost of local government. Specifically, the State is uniquely positioned to help localities reduce the cost of power for government operations in our deregulated energy market. In recent years, the State successfully

consolidated its own energy needs with that of New Jersey Transit, public colleges, and the toll road authorities to achieve the best possible price. The New Jersey Consolidated Energy Savings program locked in significant cost savings and long-term price predictability, with cost avoidance ranging up to 20 percent for electricity and up to 50% for natural gas during peak periods.

Pending legislation would authorize the State to extend this savings opportunity to counties and localities, who would participate on a voluntary basis in either an existing State contract or a separate energy aggregation. By aggregating energy on behalf of localities, the State would enable towns to reduce their costs for energy consultants while benefiting from the State's existing energy expertise. By using the State as a rallying point, localities would wield far greater negotiating power, securing price concessions that they could never achieve individually.

### **Job Training Consolidation**

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

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

### **Addiction Services Consolidation**

On February 5, 2004, the Governor issued Reorganization Plan Number 002-2004 entitled "A Plan for the Transfer, Consolidation and Reorganization of the Division of Addiction Services into the Department of Human Services". The plan will provide increased



efficiency, coordination and integration of the State's addiction prevention and treatment functions by transferring the Division of Addiction Services from the Department of Health and Senior Services to the Department of Human Services. Pending approval by the Legislature, however, funding for the Division of Addiction Services remains under the Department of Health and Senior Services in the Fiscal 2005 Budget.

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

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

#### **Shared Services**

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

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

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

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

#### **Drug Court Program**

In fiscal 2005, the Judiciary will expand the Drug Court program by \$2.2 million, or 11.6%, from the fiscal 2004 adjusted appropriation of \$19 million to \$21.2 million. The increase is comprised of \$1.5 million for drug

treatment services and \$700,000 for operational needs such as drug testing kits and supplies.

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

#### **Paperless Forms**

The Division of Taxation within the Department of Treasury anticipates a savings of nearly \$2 million in fiscal 2005 by accelerating its ongoing effort to convert to a "paperless" tax filing system. Improvements in technology and computer programming will provide alternate means of filing, resulting in reduced printing, postage, and processing costs. New regulations mandate web/electronic filing and payment of Quarterly Employer (Form NJ-927) forms, as well as Business Entity reports. Electronic filing thresholds will be lowered for the Wage Report (Form WR-30), from 50 employees to 5 employees, and the threshold to pay taxes by electronic fund transfer will be lowered from \$20,000 to \$10,000. Due to the widespread availability of tax completion software, there is a diminished need for a full NJ-1040 packet, therefore the mailing of about 2.7 million postcards used to provide mailing labels and PIN numbers is eliminated. Due in part to the use of bar code processing, the annual mailing of 400,000 Corporation Business Tax booklets will be entirely eliminated, and the creation of a telefile system will enable the State to phase-out the annual mailing of sales tax returns and booklets.



# REVENUE FORECAST AND INITIATIVES

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## **FISCAL 2004 ANTICIPATED REVENUE**

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

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

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

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

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

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

## **FISCAL 2005 REVENUE PROJECTIONS**

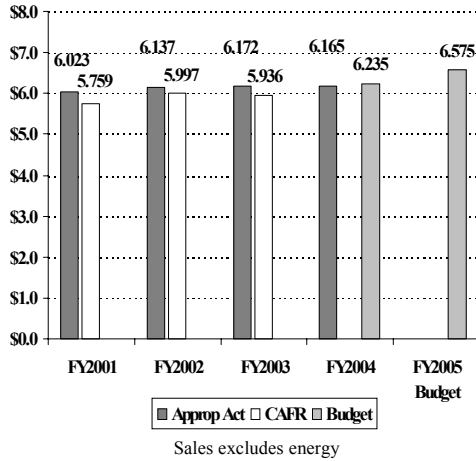
Total revenues for fiscal 2005 are expected to be \$26.3 billion, approximately \$1.9 billion above the revised fiscal 2004 anticipation, and include new revenue actions of \$2.6 billion. Revenues should continue to improve in fiscal 2005 as the State's and nation's economic recovery continues to gain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

### **Sales Tax**

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

along with improving labor market conditions are expected to support growing consumer confidence and spending in 2004.

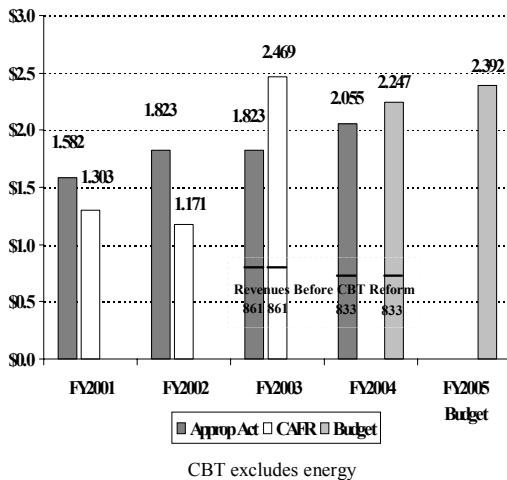
**SALES TAX**  
(In Billions)



**Corporation Business Tax**

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

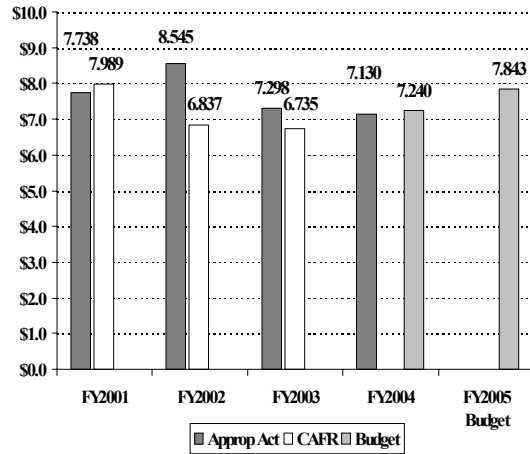
**CORPORATE BUSINESS TAX**  
(In Billions)



**Gross Income Tax**

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

**GROSS INCOME TAX**  
(In Billions)



**FISCAL 2005 REVENUE INITIATIVES**

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

## EXTENSION OF EXISTING TAXES

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

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

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

## REVENUE ENHANCEMENTS

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

### Surcharges on Pollution

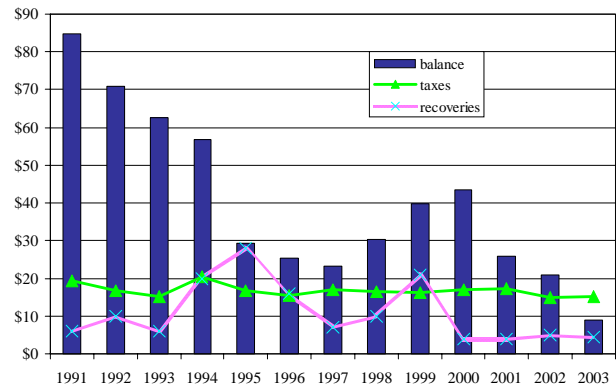
**Petro-Chemical Environmental Impact Fee (\$150 million)** - A new Petro-Chemical Environmental Impact Fee will raise \$150 million. The petro-chemical industry produces numerous products that harm the environment. It is important to note that this fee will not be passed on to consumers.

**Hazardous Discharge Site Cleanup Fund/New Jersey Spill Compensation Fund (\$20 million)** - For the past several years, dedicated funding within the Spill Compensation Fund derived from a per-barrel tax on the first transfer of hazardous substances and petroleum products has been used to fund an ongoing shortfall in the Department of Environmental Protection's (DEP) Site

Remediation program. The deficit, which is solely attributable to sites where a private responsible party has been identified, is largely the product of inadequate cost recoveries from responsible parties and legislative restrictions on the billings for such costs, the revenue of which is collected in DEP's Hazardous Discharge Site Cleanup Fund

### Spill Compensation Fund

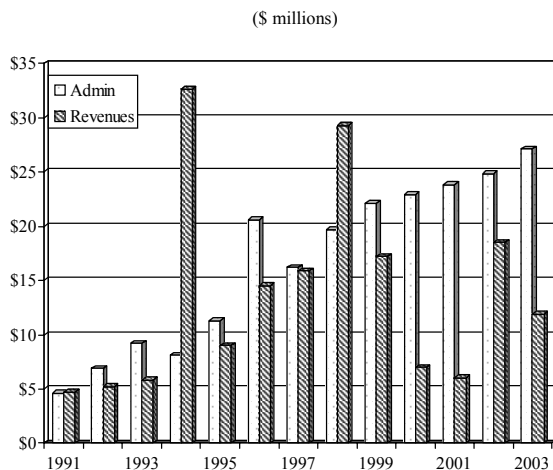
(\$ millions)



(HDSCF). Specifically, the HDSCF generates an annual average of \$12 million in revenue against total cleanup expenditures of approximately \$29 million. Transfers from the Spill Fund have subsidized this shortfall. However, the balance in the Spill Fund, which was as high as \$80 million in fiscal 1990, has dwindled to \$21 million by fiscal 2003. (This remaining balance is largely comprised of restricted funds.) The use of the Spill Fund to offset the HDSCF deficit is projected to drop from an annual level ranging from \$7 to \$18 million down to approximately \$3 million in fiscal 2005. As a result, a \$24 million deficit will exist in the Hazardous Discharge Site Cleanup Fund in fiscal 2004 (\$7 million) and fiscal 2005 (\$17 million), a situation that is only expected to worsen in the years ahead. The same companies that benefited from the elimination of the federal Superfund tax in 1995 also pay into the State's Spill Fund. Presently, the annual revenue to the Spill Fund totals \$16 million, which is 33% less than the \$24 million that the Fund generated in fiscal 1989. The current rate of \$.015 per barrel on petroleum products and an equivalent amount on hazardous products was last raised in 1987, at which time each company's total tax liability was limited to no more than 125% of the 1986 tax on petroleum products or 100% of the 1986 tax for hazardous substances. To resolve the operating deficit, and reinforce the "polluter pays" principle that forms

the basis of environmental regulation, it is recommended that legislation be enacted to increase the Spill Fund tax from the current \$.015 per barrel to \$.031 per barrel and that the statutory cap on the tax be eliminated. These actions would raise an estimated \$20 million in new revenue on an annual basis. It is also recommended that the tax increase be effective as of the start of calendar 2004.

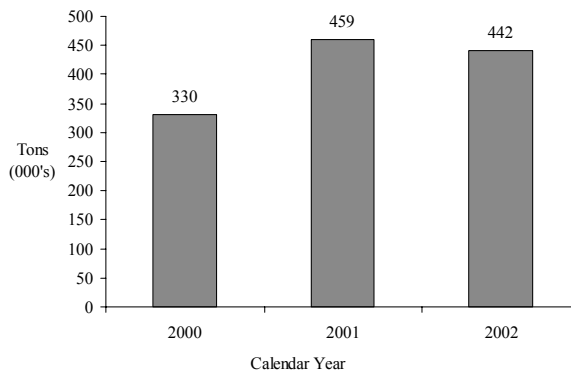
### Hazardous Discharge Site Cleanup Fund



**Tire Clean-Up Surcharge (\$12 million)** - Due to the improper disposal of used tires in the past, tire piles exist in many locations throughout New Jersey. Beyond being an eyesore, these illegal dumps often present a health hazard, as discarded tires become a prime breeding ground for disease-carrying insects, such as mosquitoes. To offset the cost of proper tire management and disposal, many states have implemented a small surcharge on the sale of new tires, typically ranging from \$1 to \$2.50 per tire. In New Jersey, private tire retailers currently levy a small fee per tire to cover their cost of disposal. It is recommended that an additional surcharge be added of \$1.50 per new tire, which would generate an estimated \$12.3 million in annual revenue to the State. Of this amount, a new grant appropriation of \$2.3 million is recommended for DEP to support the proper cleanup of abandoned tire piles by counties and municipalities. The remaining \$10 million is proposed to be dedicated to support the Department of Transportation’s (DOT) snow removal budget through new budget language in the annual Appropriations Act.

**Hazardous Waste Disposal (\$11 million)** - The enactment of legislation is recommended to authorize a new “waste end” tax assessment on hazardous waste that is ultimately treated, landfilled, or incinerated at privately-operated treatment facilities in New Jersey. According to the Department of Environmental Protection (DEP), a total of 440,000 tons of hazardous waste was processed in New Jersey facilities during calendar year 2002, a number that has been fairly steady versus prior years. Approximately half of that waste is produced by out-of-state generators and shipped to processing facilities in New Jersey,

### Hazardous Waste Treatment and Disposal In New Jersey



where it is typically recycled, incinerated, or packaged for transfer to another site for more specialized treatment. Most other states have adopted some combination of “waste end” taxes, sometimes differentiated by waste toxicity or volume, and tax rates of \$40 per ton are not uncommon. It is proposed that a straight rate of \$25 per ton be adopted in New Jersey. This would yield approximately \$11 million in new revenue.

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

these chemicals, it exhibits the extent of toxic emissions in New Jersey. Presently, Air Pollution fees on major stationary sources are confined to the 6 major criteria pollutants (e.g., carbon monoxide, ozone precursors) and not air toxics, which are not actively being permitted in New Jersey. In addition, State law currently limits Air Pollution emission fees to an inflation-adjusted rate of \$90 per ton, which may be insufficient to spur industry to use more benign alternative substances in their processes. Thus, a surcharge of \$10 per pound of air toxic emissions is recommended for fiscal 2005, which would raise an estimated \$6 million in new revenue. To limit the impact on specific emitters, the tax would be capped so that no facility would pay more than \$500,000 per year. Most, in fact, would pay considerably less.

### Other Revenues

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

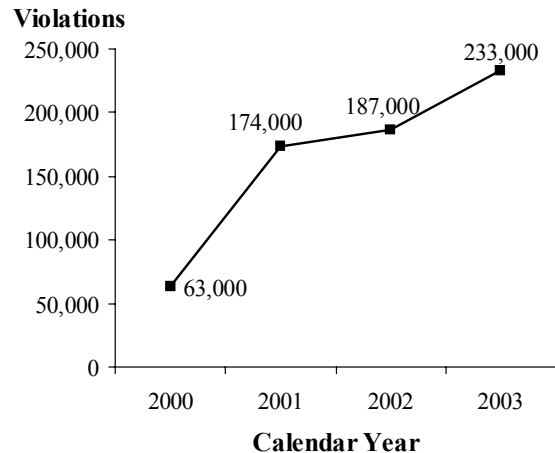
**Realty Transfer Fee (\$70 million)** – The Fiscal 2005 Budget proposes an increase in the realty transfer fee rate structure that adds approximately \$70 million in new revenue. The new rates apply to both resale and new construction activity with respective increases of \$59 million and \$11 million.

This proposal exempts house or property sales whose total value is less than \$150,000; however, if the sale is valued above \$150,000 the fee structure is based on the full amount of the sale. The fee consists of three components: general fund, county, and the Neighborhood Preservation – Fair Housing program that benefit at varying levels, but this increase is only for the benefit of the general fund. The aggregate rate increases from \$2.00 to \$2.75 for the first \$150,000, from \$3.35 to \$4.25 for the value of sales between \$150,000 and \$200,000 and from \$3.90 to \$4.75 for the value of sales \$200,000 and above.

**Motor Vehicle Surcharge (\$50 million)** – A new \$200 surcharge would be imposed on motorists found guilty or pleading guilty to unsafe driving. This new infraction was established in 2000, and is being used by a number of motorists to avoid points and surcharges. A total of 233,000

motorists did so in calendar year 2003. The basic surcharges were established in 1983 and neither the infractions nor amounts have changed.

### Motor Vehicle Surcharge Unsafe Driving Violations



In addition, with the accumulation of six points on a driving record, the surcharge will be increased to \$150 from the current amount of \$100. Based on current data, the combined value of both of these would generate \$50 million.

**Wireless Communication/Cell Tower Assessment (\$33 million)** - A new franchise fee on wireless telephone services to provide enhanced 911 service as well as the ongoing cost of security and counterterrorism.

**Assessment on Houses Greater Than \$1 Million (\$24 million)** - The establishment of a new 1% fee on the purchase of homes in excess of \$1 million would generate approximately \$24 million. The fee on a \$1 million home would be \$10,000. This fee would differ from the current Realty Transfer Fee because the purchaser of the home, not the seller, would pay it. New York State has a similar fee arrangement.

### SPECIAL REVENUE OPPORTUNITIES

Special Revenue Opportunities represent resources that may only be available for the Fiscal 2005 Budget. Descriptions of the major special revenue opportunities proposed in the Fiscal 2005 Budget follow.

**New Revenue Securitizations (\$1.52 billion)** – Revenue from the cigarette tax increase and the additional funds raised through the new \$200 motor vehicle surcharge and the change in surcharges on the accumulation of points would be securitized to generate approximately \$1.52 billion in revenue for fiscal 2005.

The proposed surcharge securitizations would be somewhat similar to efforts in the past, such as the Joint Underwriting Association (JUA)/Market Transition Facility (MTF), which utilized motor vehicle surcharge revenue from the years 1991-2011, as did the recent securitization for the Motor Vehicles Commission (i.e, surcharges from 2012 to 2015).

**State Disability Fund (\$110 million)** – The budget assumes an additional diversion of \$110 million from the State Disability Fund. The redirection of these monies to the General Fund will not adversely impact the payment of disability benefits to claimants nor will it trigger any increase in tax rates.

**Motor Vehicle Fee Acceleration (\$90 million)** – Currently vehicle registrations are paid on an annual basis. A change to require new vehicles to be registered for four years would generate \$90 million in fiscal 2005. Leased vehicles would pre-pay the car registration fee based on the length of the lease. The payment of registration for four years would mirror the inspection period for new vehicles. Under current law, new vehicles do not have to be inspected for four years. The accelerated payment of the registration fee would mean that a person who purchases a new vehicle would not have to visit the Motor Vehicle Commission for four years for either registrations or inspections.

**Enhanced Enforcement (\$25 million)** – A package of initiatives is recommended to bolster the State's ability to collect outstanding debt, expand collections to include out-of-state taxpayers operating in New Jersey, or improve enforcement of existing tax law, all of which are estimated to generate a total of \$25 million in new revenue during fiscal 2005.

- **Withholding on Real Estate Capital Gains by Non-Residents** - State tax withholding on capital gains by non-residents on real estate transactions would be required. An analysis

by the Division of Taxation of non-resident real estate sales finalized during fiscal 2001 concluded that approximately 70% of the sellers were listed in the Division's tax files but did not have a 2000 or 2001 corporate or gross income tax return. For another 21% of the transactions, there was no evidence of a taxpayer registered under the owner's name. This suggests that, in the vast majority of the cases, any potential capital gain is not being reported. Other states such as New York have recently enacted laws to implement this change.

- **Use Tax Agreements for Out-of-state Vendors** - To combat the underreporting of the use tax, several other states (e.g., Indiana, Virginia, North Carolina) have considered or adopted legislation requiring out-of-state vendors to sign use tax agreements on all of their transactions within that state as a condition of continuing to do business with state government. This particularly applies to providers of large equipment who presently do not have a general use tax agreement with New Jersey. Analysis suggests that out-of-state vendors sell at least \$182 million in tangible goods such as computers, furniture, and equipment to the State of New Jersey. For the largest non-state vendors, the threat of losing the State as a customer may be compelling enough for them to collect the use tax on the remainder of their New Jersey-related business transactions. Though this measure is difficult to quantify, it should be noted that Virginia, a similarly-sized state, recently estimated an annual revenue gain of \$5 million.
- **Upfront Withholding on Out-of-state Contractors** - To ensure that the proper tax liability is paid to the State, out-of-state contractors operating in New Jersey would pay an upfront withholding.
- **Expansion of SOIL Program** - The Setoff of Individual Liability (SOIL) program operated by the Division of Taxation will be expanded to include bad debt owed to municipal courts, New Jersey Transit debts, motor vehicle surcharges held by Division of Law, or debts owed to the Department of Community Affairs's Housing Inspection program. Most recently, the majority of the county colleges

have expressed interest in using SOIL. Aggressively pursuing outstanding debt through the SOIL program will enable them to increase financial support for ongoing operations.

- **Tax Clearance to Renew Professional Licenses** - To obtain a professional license or certification from State government, applicants would be required to obtain a tax clearance or proof of tax payment. This program, which would be coordinated with the Division of Taxation's existing SOIL program, would provide another means of collecting on outstanding debt. For applicants who owe money to the State, licenses and certifications would be suppressed until payment is made or a payment plan is arranged. Maryland implemented a similar provision and raised \$10 million.
- **Streamlined Bank Attachment Process** – New legislation is recommended to require banks to provide a list of all account holders to the State. The list would include name, social security number, and account balance and that information would be used by the Division of Taxation to levy the accounts. The state of Maryland has estimated they will generate \$10 million from this initiative. In conjunction with this, Maryland also enacted a streamlining to their bank attachment process. New Jersey would implement a similar program.

**Unclaimed Personal Property (\$8 million)** – New legislation would expand the unclaimed property law to include gift cards, gift certificates and other similar instruments. When unclaimed by the owner for more than three years, they would be presumed to be abandoned and would escheat to the State.

Escheating property to the State gives the public the potential availability of discovering and recovering their funds on a timelier basis. Institutions, as the custodian, frequently impose fees that erode the balances, whereas, the State does not.

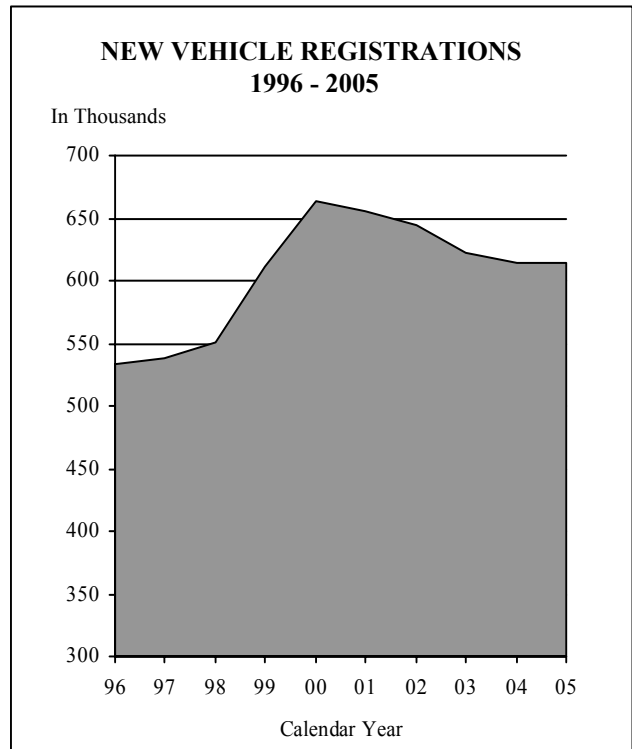
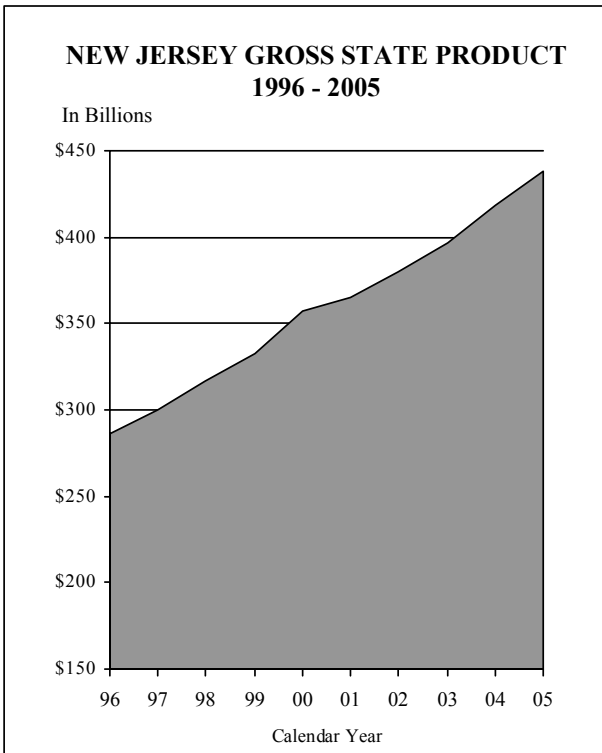
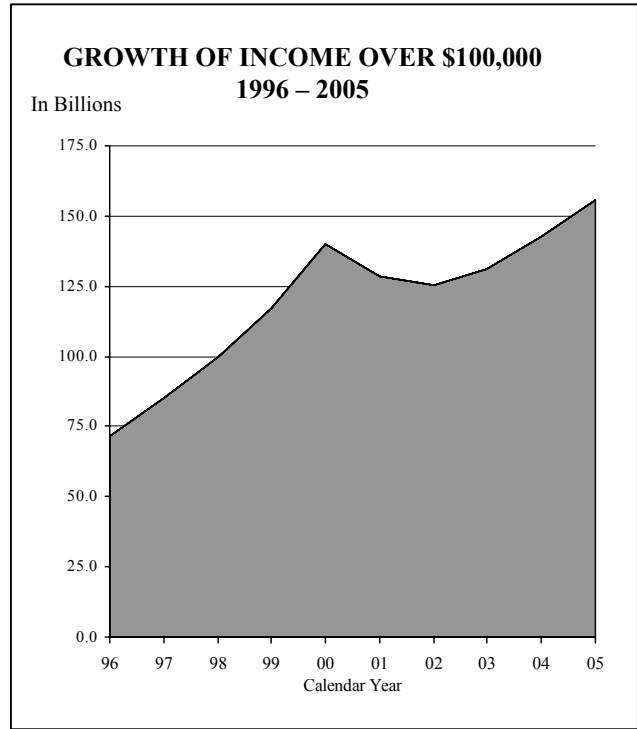
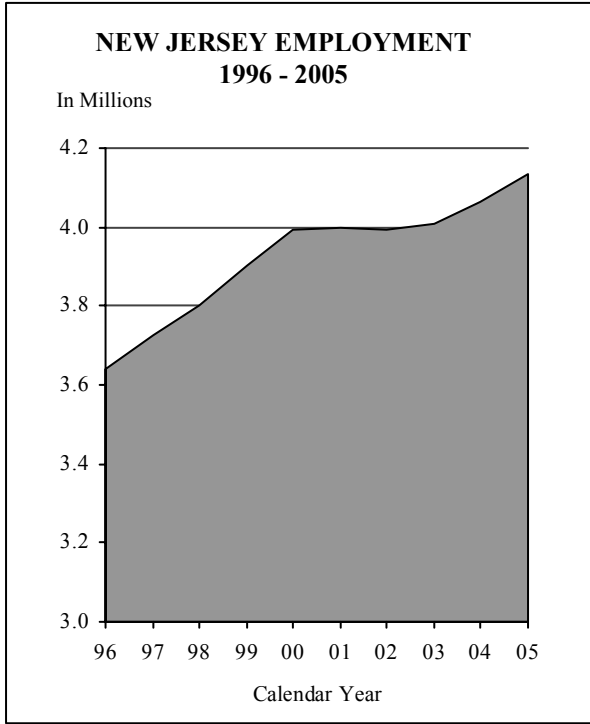
**Charity Care (\$115 million)** – In order to offset the reduction in the Unemployment Insurance Fund diversion that supports Charity Care, these revenue solutions are recommended:

The new proposal is for an annual assessment on ambulatory medical facilities (\$31 million) and a new \$5 charge on hospital outpatient visits (\$34 million). It also raises the existing hospital assessment from .53% of annual revenues to .70% (\$50 million); however, funding to hospitals will actually increase due to increases in recommended State funding and matching federal funds.



# *Economic Growth*

## *(1996 - 2005)*



# *Revenues*

## *FY 2004*

(In Millions)

	FY2004 Approp. Act Revenues	FY2004 Adjusted Revenues	Change	
			\$	%
Income	\$ 7,130	\$ 7,240	\$ 110	1.5
Sales	6,165	6,235	70	1.1
Corporate	2,055	2,247	192	9.3
Other*	<u>8,655</u>	<u>8,667</u>	<u>12</u>	0.1
<b>Total</b>	<b><u>\$ 24,005</u></b>	<b><u>\$ 24,389</u></b>	<b><u>\$ 384</u></b>	1.6

\* Includes CBT -Energy

## *The Fiscal 2005 Budget*

(In Millions)

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

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

*FY 2004 Supplemental Appropriations*

(In Thousands)

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

# *Revenues*

## *FY2005*

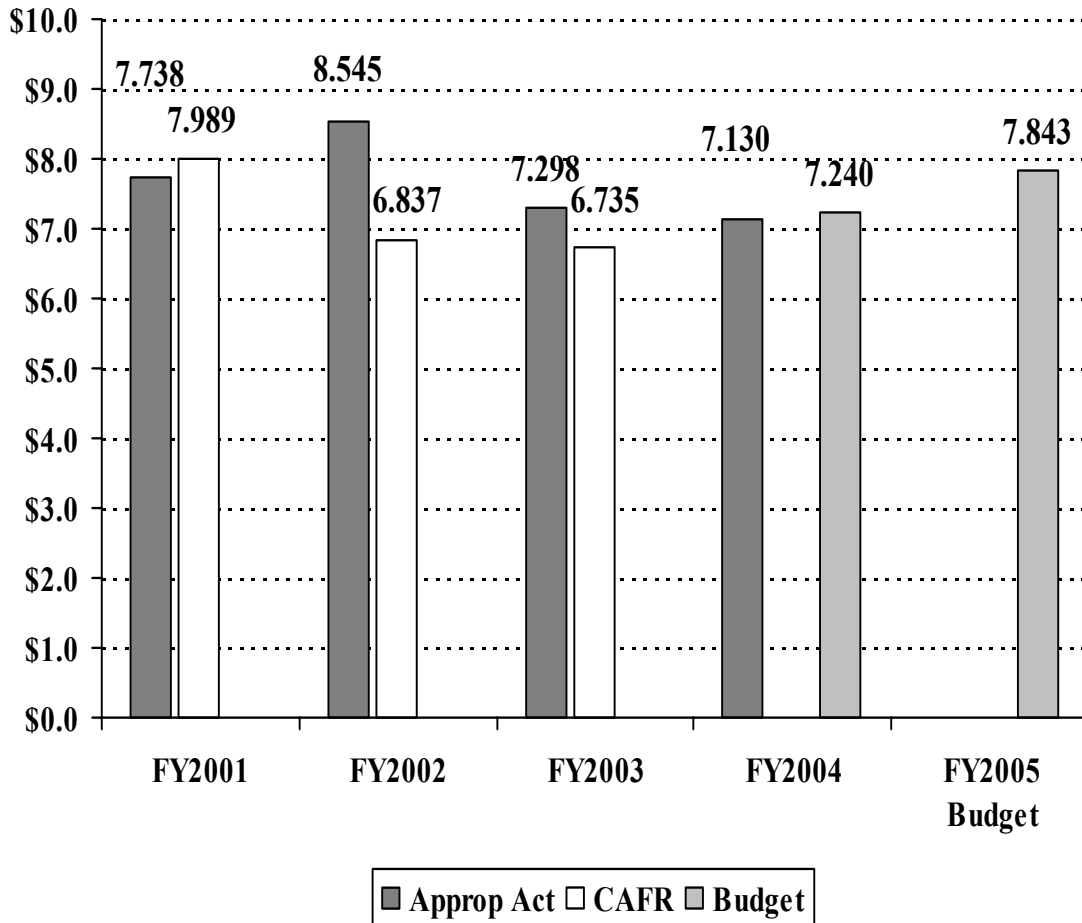
(In Millions)

	<b>FY2004</b>	<b>FY2005</b>	<b>Change</b>	
	<b>Adjusted</b>		<b>Revenues</b>	<b>\$</b>
	<u>Revenues</u>	<u>Revenues</u>	<u>\$</u>	<u>%</u>
Income	\$ 7,240	\$ 7,843	\$ 603	8.3
Sales	6,235	6,575	340	5.5
Corporate	2,247	2,392	145	6.5
Other*	<u>8,667</u>	<u>9,448</u>	<u>781</u>	9.0
<b>Total</b>	<b><u>\$ 24,389</u></b>	<b><u>\$ 26,258</u></b>	<b><u>\$ 1,869</u></b>	<b>7.7</b>

\* Includes CBT - Energy.

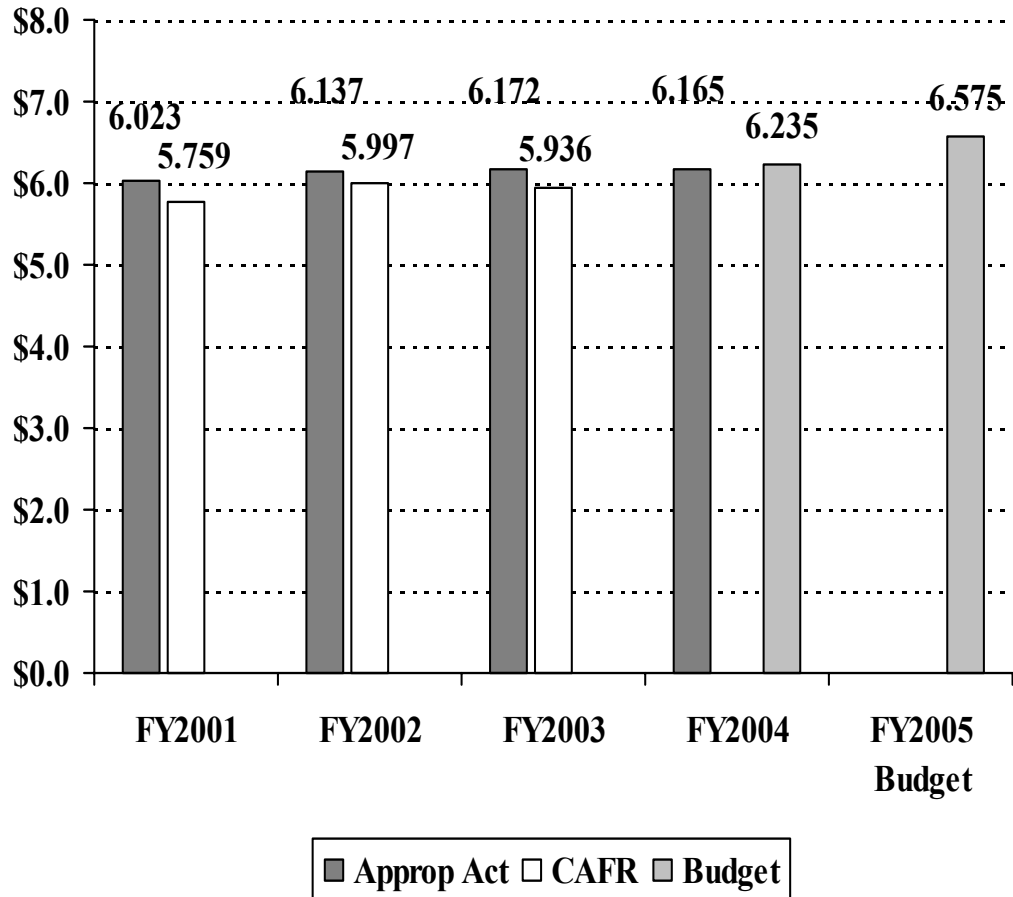
# GROSS INCOME TAX

(In Billions)



# SALES TAX

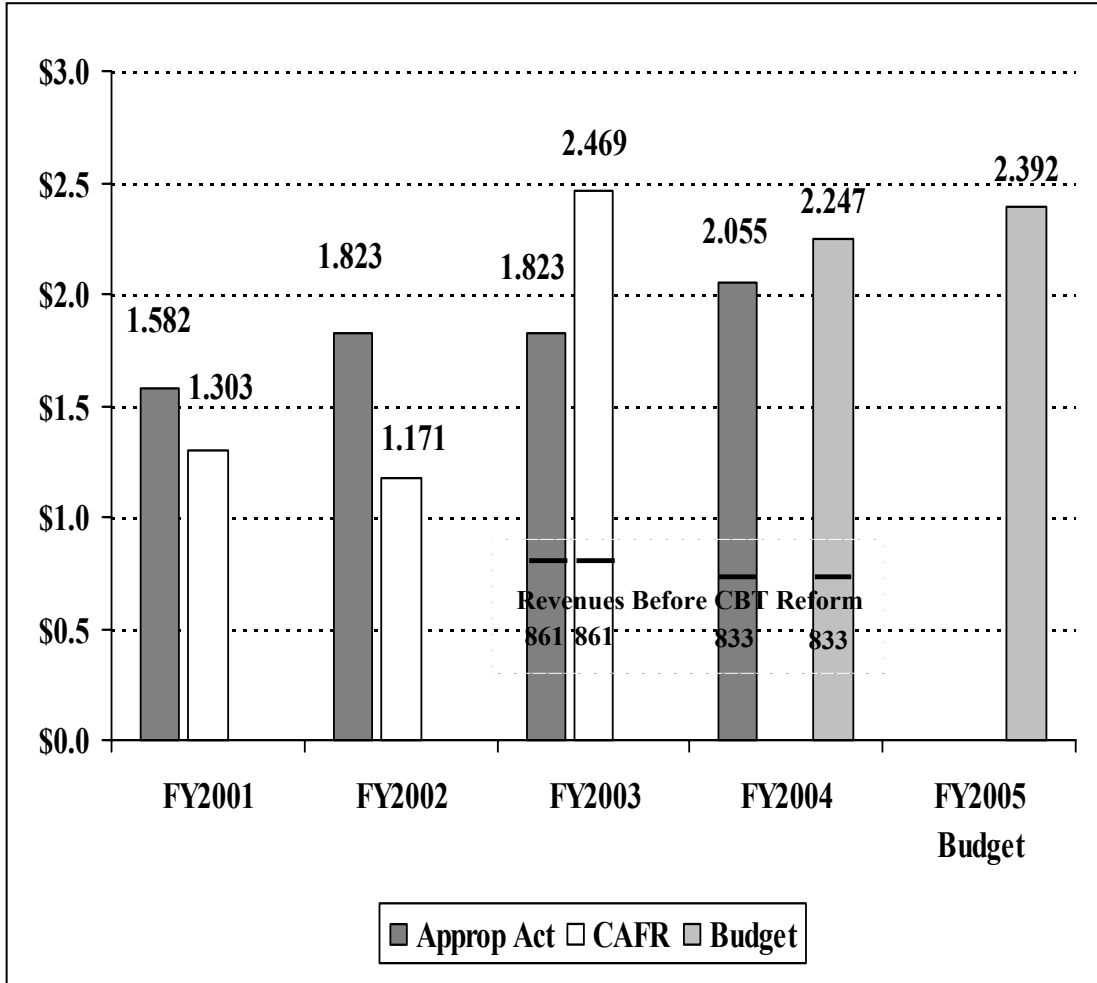
(In Billions)



Sales excludes energy

# CORPORATE BUSINESS TAX

(In Billions)



CBT excludes energy



*Nonrecurring Resources*

(In Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	
Tobacco Securitization	\$1,612	-	
New Revenue Securitization	-	\$1,520	
Unemployment Insurance Fund	325	100	
Federal Stimulus	433	-	
PAAD Waiver	148	-	
Nursing Home Assessment	51	-	
State Disability Fund	30	110	
Motor Vehicle Amnesty	29	-	
Securities Enforcement Collections	10	2	
Real Estate Guarantee	1	-	
NJ Redevelopment Authority	9	-	
Hotel Revenue State Share	25	-	
Economic Development Authority	30	-	
Toll Road Revenue TTF	22	-	
Catastrophic Illness in Children Relief Fund	4	-	
Drug Enforcement Demand Reduction	3	1	
Educational Facilities Authority	-	2	
Federal TANF Balances	86	18	
VOI/TIS Federal Funds	11	-	
	<u>\$2,829</u>	<u>\$1,753</u>	<u>(1,076)</u>

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

(In Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
Direct State Services- Operations	\$ 3,806	\$ 3,779	\$ (27)	(0.71)
Child Welfare Reform	15	125	110	733.33
Interdepartmental	1,557	1,773	216	13.87
State Aid	10,064	10,572	508	5.05
Grants-In-Aid	8,345	8,650	305	3.65
Capital	1,136	1,131	(5)	(0.44)
Debt Service	442	445	3	0.68
Gubernatorial Elections Fund	<u>-</u>	<u>9</u>	<u>9</u>	-
	\$25,365	\$26,484	\$ 1,119	4.41
<b>Off Budget Spending</b>				
Federal Stimulus for Nursing Homes	\$ 433	\$ -		
UI for Charity Care and Medicaid	325	100		
Other Revenues to Hospital Relief Fund	-	115		
Supplemental Workforce for Community Colleges	5	8		
Catastrophic Illness for Early Intervention	4	-		
DEDR for Substance Abuse	3	1		
Day Reporting VOI/TIS Federal Funds	12	-		
Retro Rebate for PAAD	11	-		
EDA for Tourism	2	-		
Workforce Development	<u>28</u>	<u>-</u>		
FY 2005 Budget	<u>\$24,542</u>	<u>\$26,260</u>	<u>1,718</u>	7.00

*Mandated Growth*

(In Thousands)

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

## *The Fiscal 2005 Budget by Category*

(In Millions)

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

***FY 2005 Budget***

(In Millions)

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

***Direct State Services  
By Department***

(In Thousands)

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

***Funding for  
Property Tax Relief***

(In Millions)

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

\*Reflects expended

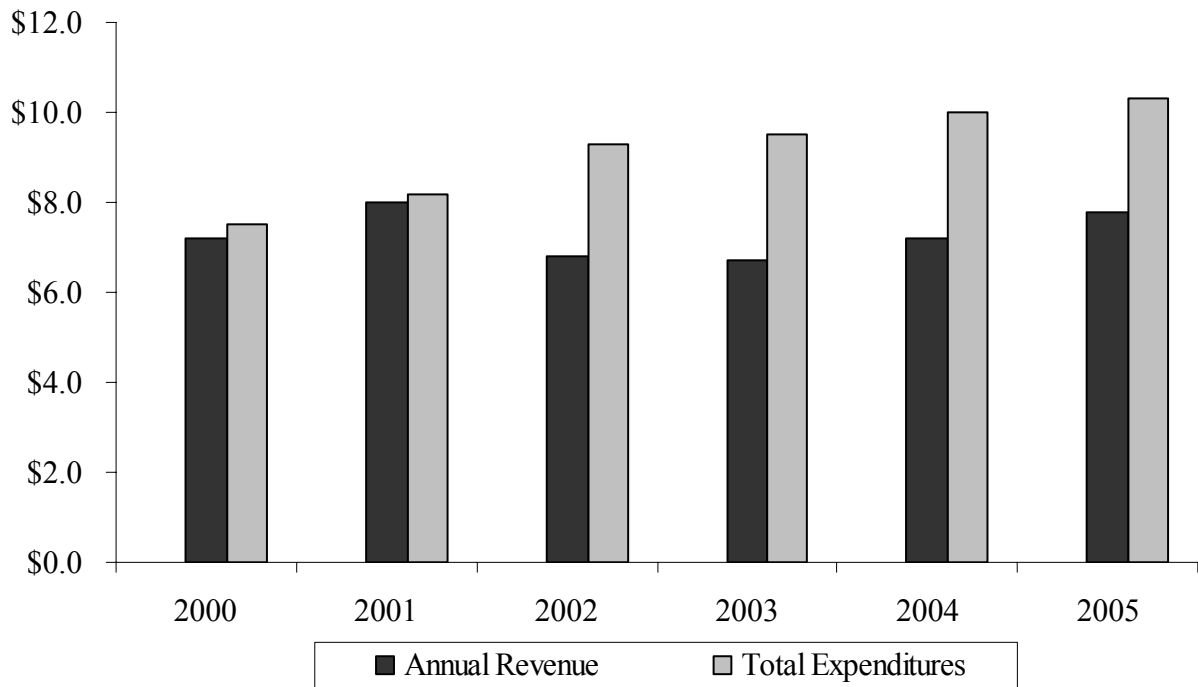
**FISCAL 2005 TAXPAYER RELIEF**  
(In Millions)

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



# *Property Tax Relief Programs/Income Tax Revenues*

(In Billions)



*School Aid*

(In Millions)

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

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

---Recommended Fiscal Year 2005---

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

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

---Recommended Fiscal Year 2005---

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

***Municipal Aid***  
(In Millions)

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

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

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

\* Reflects expended

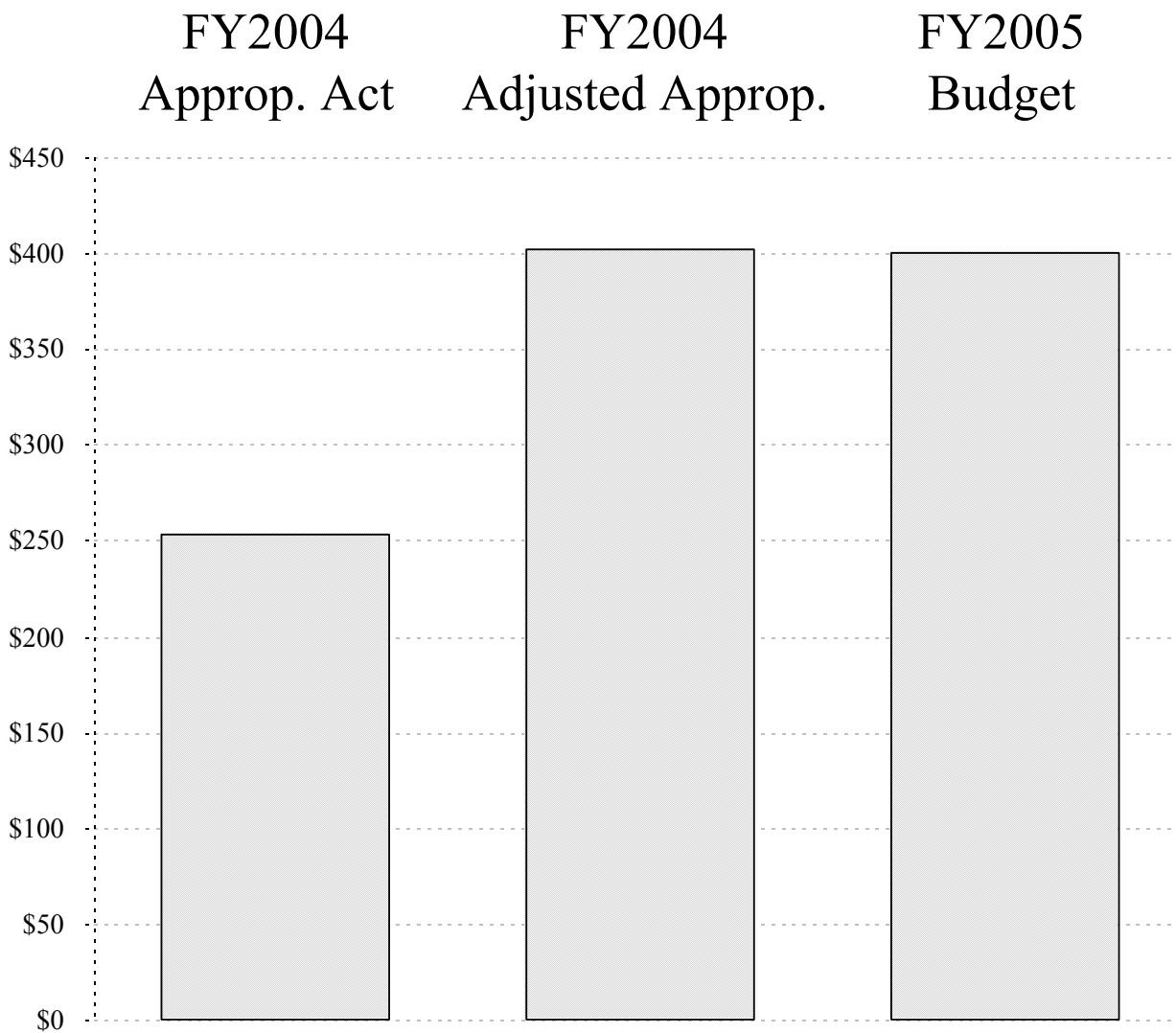
**Higher Education**

(In Millions)

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

# *Surplus*

(In Millions)





# SUMMARIES OF APPROPRIATIONS

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

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

## SUMMARIES OF APPROPRIATIONS

### STATE REVENUES FISCAL YEARS 2004 AND 2005 ESTIMATES (\$ in thousands)

	APPROP ACT FY2004	REVISED FY2004	CHANGE FY2004	FY2005	CHANGE FY04 TO FY05
<b>Major Taxes</b>					
Sales Tax	\$6,165,000	\$6,235,000	\$70,000	\$6,575,000	\$340,000
Corporation Business	2,055,000	2,247,000	192,000	2,392,000	145,000
Corporation Energy	-	-	-	11,240	11,240
Motor Fuels	544,000	540,000	(4,000)	549,000	9,000
Motor Vehicle Fees	233,094	233,094	-	323,094	90,000
Transfer Inheritance	433,000	510,000	77,000	572,000	62,000
Insurance Premium	420,000	430,000	10,000	473,000	43,000
Cigarette	635,000	595,000	(40,000)	708,000	113,000
Petroleum Products Gross Receipts	225,000	205,000	(20,000)	205,000	-
Public Utility Excise	8,700	8,700	-	8,700	-
Corporation Banks and Financial Institutions	131,000	140,000	9,000	144,000	4,000
Alcoholic Beverage Excise	83,000	86,000	3,000	88,000	2,000
Realty Transfer	172,000	187,000	15,000	275,000	88,000
Savings Institution	5,000	-	(5,000)	-	-
Tobacco Products Wholesale Sales	13,000	10,000	(3,000)	10,000	-
<b>Total Major Taxes</b>	<b>11,122,794</b>	<b>11,426,794</b>	<b>304,000</b>	<b>12,334,034</b>	<b>907,240</b>
<b>Miscellaneous Taxes, Fees, Revenues</b>					
Assessment on Houses Greater Than \$1 Million	-	-	-	24,000	24,000
New Revenue Securitizations	-	-	-	1,520,000	1,520,000
Medicaid Uncompensated Care	455,139	505,081	49,942	519,934	14,853
Good Driver	61,000	61,000	-	61,000	-
Motor Vehicle Inspection Fund	76,710	76,710	-	76,710	-
Hotel/Motel Occupancy Tax	111,400	111,400	-	86,805	(24,595)
Public Utility GRFT	69,000	69,000	-	69,000	-
TEFA	218,300	211,000	(7,300)	211,000	-
Fringe Benefit Recoveries	266,150	288,825	22,675	294,825	6,000
Other Miscellaneous Revenue	1,092,794	1,017,768	(75,026)	1,335,030	317,262
<b>Total Miscellaneous Taxes, Fees, Revenues</b>	<b>2,350,493</b>	<b>2,340,784</b>	<b>(9,709)</b>	<b>4,198,304</b>	<b>1,857,520</b>
<b>Interfund Transfers</b>					
State Lottery Fund	793,000	790,000	(3,000)	795,000	5,000
Tobacco Settlement/Securitization	1,612,022	1,612,410	388	-	(1,612,410)
All Other Funds	483,461	457,915	(25,546)	543,204	85,289
<b>Total Interfund Transfers</b>	<b>2,888,483</b>	<b>2,860,325</b>	<b>(28,158)</b>	<b>1,338,204</b>	<b>(1,522,121)</b>
<b>Total State Revenues General Fund</b>	<b>16,361,770</b>	<b>16,627,903</b>	<b>266,133</b>	<b>17,870,542</b>	<b>1,242,639</b>
Property Tax Relief Fund	7,130,000	7,240,000	110,000	7,843,000	603,000
Casino Control Fund	62,737	59,370	(3,367)	63,700	4,330
Casino Revenue Fund	448,700	459,880	11,180	478,880	19,000
Gubernatorial Elections Fund	1,500	1,500	-	1,500	-
<b>TOTAL STATE REVENUES</b>	<b>\$24,004,707</b>	<b>\$24,388,653</b>	<b>\$383,946</b>	<b>\$26,257,622</b>	<b>\$1,868,969</b>

# SUMMARIES OF APPROPRIATIONS

## SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

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

Categories of appropriations are defined as follows:

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

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

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

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

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

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

	<u>Increases</u>	<u>Decrease</u>	<u>Net Change</u>
<b>State Operations</b>			
Contracted Salary Increase-State Employees	\$ 126.580		
Child Welfare Reform	125.000		
State Employee Health Benefits	40.101		
Post Retirement Medical - State Employees	26.475		
Prison/Parole Board Costs	24.720		
Employer Taxes	16.917		
Employer Pension Contributions	13.720		
Gubernatorial Elections Fund - Primary Election Public Funding	8.870		
Statewide 911 Emergency Telephone System	6.502		
Trooper Recruit Class/Vehicles	6.269		
UMDNJ Self Insurance Reserve Fund	6.000		
Women's Health Awareness	5.000		
Statewide Assessment Program	3.000		
New Lisbon Developmental Center Enhancements	2.826		
Cancer Screening-Early Detection and Education Program	2.700		
Drug Court Expansion	2.200		
Snow Removal	2.000		
Cardiovascular Program	2.000		
Human Services Expanded Fingerprinting	1.800		
New Vineland Veterans' Home	1.675		

# SUMMARIES OF APPROPRIATIONS

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

	<u>Increases</u>	<u>Decrease</u>	<u>Net Change</u>
SSI Attorney Fees	1.600		
Property Assessment and Management System (PAMS)	1.350		
Menlo Park Veterans' Home - Old Glory Wing	1.049		
Anti-Smoking Initiatives	1.000		
CBT Dedication	0.673		
Insurance	0.636		
Additional Staff--State Commission of Investigation	0.588		
Education Efficiency and Effectiveness Study	0.250		
Animal Welfare	0.200		
Office on the Prevention of Violence Against Women	0.200		
New Jersey Historic Trust Program	0.120		
<b><i>Subtotal - State Operations Increases</i></b>	<b><u>\$ 432.021</u></b>		
Debt/Line of Credit		\$ (17.151)	
Department of Human Services Efficiencies		(8.639)	
Operating Efficiencies throughout the State		(3.484)	
Central Rent		(3.029)	
Department of Corrections Efficiencies		(2.000)	
Forms Reduction/Paperless Filing Initiatives in Taxation and Revenue		(1.981)	
Department of Education Efficiencies		(1.624)	
Department of Health Efficiencies		(1.060)	
New Jersey Network - Equipment		(1.000)	
Pharmacy Discount Card - PAAD Operating Account Savings		(0.994)	
Department of Personnel Efficiencies		(0.821)	
Eliminate Office Supplies Product Line and Increase Drop Ship Program		(0.459)	
Other (Net)		<u>(82.505)</u>	
<b><i>Subtotal - State Operations Decreases</i></b>		<b><u>\$ (124.747)</u></b>	
<b><i>Net Change (State Operations)</i></b>			<b><u>\$ 307.274</u></b>
<b>Grants-In-Aid</b>			
Nursing Homes and Alternatives	\$ 400.724		
Medicaid/General Assistance Health Care Growth	123.071		
General Fund Support of the Health Care Subsidy Fund	110.419		
NJ Transit Operating Subsidy	84.873		
Hospital Funding	52.190		
Children's Behavioral Health Services	37.120		
Contracted Salary Increase - Senior Public Colleges and Universities	31.158		
Debt/Line of Credit	29.360		
Senior Tax Freeze	25.000		
Employee Health Benefits - Higher Education	24.348		
Third Party Provider COLA	21.390		
Tuition Aid Grants	19.317		
Enhanced 911 County Grants	14.725		
Developmental Disabilities Community Services	13.059		
Day Reporting and Halfway Back Federal Fund Loss	11.643		
NJSTARS (NJ Tuition Plan)	10.000		
Employer Taxes- Higher Education	8.547		
Greystone Redirection II	7.375		
Lead Hazard Control Assistance Fund	7.000		

# SUMMARIES OF APPROPRIATIONS

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

	<u>Increases</u>	<u>Decrease</u>	<u>Net Change</u>
Cultural Projects - Hotel Tax Dedication	6.900		
Post Retirement Medical - Higher Education	6.252		
Subsidized Adoption and Residential Placements Growth	6.244		
Developmental Disabilities Aging Out Transition	5.762		
Employer Pension Contributions - Higher Education	5.625		
Assisted Living - 750 Additional Slots	5.000		
Parole Board Community Alternatives	4.637		
Advertising and Promotion - Hotel Tax Dedication	3.169		
Family Care	2.586		
The New Jersey Stem Cell Research Institute	2.500		
Department of Justice-New Lisbon	2.140		
State Legal Services	2.000		
Summer Academy for Professional Development	2.000		
Lead Testing Kits for Expectant Mothers	2.000		
New Jersey Caring for Caregivers Initiative	2.000		
Travel & Tourism Cooperative Marketing Program - Economic Recovery	1.850		
Contribution to Community Based Substance Abuse Treatment and Prevention/DEDR	1.300		
Historical Projects - Hotel Tax Dedication	1.140		
Office of Faith Based Initiatives	1.000		
Soil and Water Conservation Grants	0.819		
Part-Time Tuition Aid Grants for County Colleges	0.700		
Hispanic Business Owners Outreach Program	0.600		
Rape Prevention	0.500		
Coordinated Garden State Scholarship Programs	0.500		
Aid to Independent Colleges and Universities	0.500		
Battleship New Jersey Utility Expense	0.390		
Center for Hispanic Policy	0.375		
Displaced Homemakers Centers	0.275		
Cancer Institute of New Jersey	0.250		
Waterloo Village	0.250		
Arthritis Quality of Life Initiative Act Increase	0.250		
St. Barnabas Medical Center - Cancer Center	0.250		
Ellis Island Foundation	0.200		
Huntington's Disease Program Increase	0.142		
Family Planning Services Program Increase	0.120		
Hispanic Women's Resource Centers	0.100		
Independent Living Centers	0.100		
Sudden Infant Death Syndrome (SIDS) Assistance Act Program Increase	0.099		
Hemophilia Services Program Increase	0.094		
Tourette Syndrome Association Program Increase	0.050		
Compulsive Gambling Program Increase	0.050		
Chronic Renal Disease Services Program Increase	0.047		
Cleft Palate Programs Increase	0.045		
<b><i>Subtotal - Grants-In-Aid Increases</i></b>	<b><u>\$ 1,102.130</u></b>		
Pharmaceutical Assistance to the Aged and Disabled/Senior Gold		\$ (45.072)	
NJ SAVER - Recalculated Program Participation		(25.000)	
Medicaid Operational Efficiencies		(20.500)	
Title XIX Revenue Maximization		(15.000)	
Medicaid Prescription Copayment		(8.100)	

# SUMMARIES OF APPROPRIATIONS

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

	<u>Increases</u>	<u>Decrease</u>	<u>Net Change</u>
County Jail Backup		(6.347)	
General Assistance/Food Stamp Case Management Deferral		(3.236)	
Other (Net)		<u>(72.364)</u>	
<b><i>Subtotal - Grants-In-Aid Decreases</i></b>		<b><u>\$ (195.619)</u></b>	
<b><i>Net Change (Grants-In-Aid)</i></b>			<b><u>\$ 906.511</u></b>
<b>State Aid</b>			
Post Retirement Medical - Teachers' Pension and Annuity Fund	\$ 117.572		
Additional School Formula Aid (3% Growth)	90.000		
Aid to Abbott Districts (3% Growth)	75.000		
School Construction	45.071		
Abbott Preschool Expansion Aid	40.000		
General Assistance	34.105		
Other Abbott Aid	25.000		
Local School Districts - Teacher Social Security Payments	20.957		
Local Police and Firefighter Pension Contribution	20.457		
New Jersey After 3	15.000		
Early Launch to Learning Initiative (ELLI)	15.000		
Early Childhood Intervention Program	10.000		
County College Aid	6.151		
High Achieving/High Efficiency Districts (PACE)	5.000		
Municipal Aid - Hero Grants	5.000		
Aid for High Enrollment Growth Districts	5.000		
High Expectations for Learning Proficiency (HELP)	5.000		
Supplemental Security Income	4.269		
Nonpublic School Aid (3% Growth)	2.916		
Local Tire Management Program	2.300		
Regional Efficiency Development Incentive Grants	2.200		
Local Police and Fire Post Retirement Medical	1.711		
School Breakfast Program	1.326		
Teacher Mentoring	<u>0.500</u>		
<b><i>Subtotal - State Aid Increases</i></b>	<b><u>\$ 549.535</u></b>		
Miscellaneous School Aid Accounts		\$ (4.713)	
Pension Bond Debt Service		(4.105)	
Extraordinary Aid		(4.000)	
Special Municipal Aid		(4.000)	
Solid Waste Debt Service		(2.840)	
Other (Net)		<u>(23.113)</u>	
<b><i>Subtotal - State Aid Decreases</i></b>		<b><u>\$ (42.771)</u></b>	
<b><i>Net Change (State Aid)</i></b>			<b><u>\$ 506.764</u></b>
<b>Capital Construction</b>			
SACWIS Development and Implementation	\$ 4.800		
State Parks Capital Improvements	4.000		
Enterprise Upgrades-Garden State Network	3.000		
CBT Dedication - Cleanups and Underground Storage Tanks	1.870		
World War II Memorial	1.500		

## SUMMARIES OF APPROPRIATIONS

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

	<u>Increases</u>	<u>Decrease</u>	<u>Net Change</u>
All-Purpose Room - Paramus Veterans' Home	0.627		
Other (Net)	<u>0.587</u>		
<b><i>Subtotal - Capital Construction Increases</i></b>	<b><u>\$ 16.384</u></b>		
Federal Funds for Capital		\$ (9.695)	
Hamilton Complex Troop C - Building Equipment and Furnishings		(3.846)	
Environmental Protection Capital		(3.000)	
Statewide Security Projects from Car Rental Fees		(3.000)	
Interdepartmental Capital		<u>(1.922)</u>	
<b><i>Subtotal - Capital Construction Decreases</i></b>		<b><u>\$ (21.463)</u></b>	
<b><i>Net Change (Capital Construction)</i></b>			<b><u>\$ (5.079)</u></b>
<b>Debt Service</b>			
General Obligation Debt Service	<u>\$ 2.024</u>		
<b><i>Subtotal - Debt Service Increases</i></b>	<b><u>2.024</u></b>		
<b><i>Net Change (Debt Service)</i></b>			<b><u>\$ 2.024</u></b>
<b>GRAND TOTAL</b>	<b><u>\$ 2,102.094</u></b>	<b><u>\$ (384.600)</u></b>	<b><u>\$ 1,717.494</u></b>

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Major Taxes</b>			
Sales .....	5,936,058	6,235,000	6,575,000
Corporation Business .....	2,525,446	2,247,000	2,403,240
Cigarette .....	478,536	595,000	708,000
Transfer Inheritance .....	445,311	510,000	572,000
Motor Fuels .....	530,956	540,000	549,000
Insurance Premium .....	373,276	430,000	473,000
Motor Vehicle Fees .....	445,691	233,094	323,094
Realty Transfer .....	109,279	187,000	275,000
Petroleum Products Gross Receipts .....	214,418	205,000	205,000
Corporation Banks and Financial Institutions .....	128,451	140,000	144,000
Alcoholic Beverage Excise .....	83,075	86,000	88,000
Tobacco Products Wholesale Sales .....	9,292	10,000	10,000
Public Utility Excise (Reform) .....	9,550	8,700	8,700
Savings Institutions .....	9,485	—	—
<i>Total Major Taxes</i> .....	<i>11,298,824</i>	<i>11,426,794</i>	<i>12,334,034</i>
<b>Miscellaneous Taxes, Fees, Revenues</b>			
Executive Branch—			
Department of Agriculture:			
Animal Health – Laboratory Test Fees .....	142	—	—
Environmental Services .....	142	—	—
Fertilizer Inspection Fees .....	524	291	291
Milk Control Licenses and Fees .....	369	—	—
Miscellaneous Revenue .....	345	4	4
	1,522	295	295
Department of Banking and Insurance:			
Actuarial Services .....	45	52	52
Bank Assessments .....	3,946	3,800	3,800
Banking – Examination Fees .....	2,198	2,260	2,260
Banking – Licenses and Other Fees .....	6,735	6,900	6,000
FAIR Act Administration .....	17,579	15,000	15,000
Fraud Fines .....	—	2,000	2,000
Insurance – Special Purpose Assessment .....	13,313	13,210	16,500
Insurance Examination Billings .....	1,845	2,000	2,100
Insurance Fraud Prevention .....	32,954	33,843	34,000
Insurance Licenses and Other Fees .....	10,958	12,330	12,530
Public Adjusters Licenses .....	140	—	—
Real Estate Commission .....	3,928	7,600	5,000
	93,641	98,995	99,242
Department of Community Affairs:			
Affordable Housing and Neighborhood Preservation – Fair Housing .....	54,653	19,767	19,767
Boarding Home Fees .....	414	476	—
Construction Fees .....	15,130	12,372	12,372
Divorce Filing Fees .....	—	1,202	1,276
Fire Safety .....	19,715	14,745	14,745
Hackensack Meadowlands Development Commission .....	64,869	—	—
Housing Inspection Fees .....	8,390	7,508	7,508
Miscellaneous Revenue .....	95	—	—
Planned Real Estate Development Fees .....	1,777	828	828
Truth In Renting .....	143	—	—
	165,186	56,898	56,496
Department of Corrections:			
Miscellaneous Revenue .....	3	—	—



# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Education:			
Audit Recoveries .....	1,163	1,000	1,000
Audit of Enrollments .....	2,208	1,600	1,600
Local School District Loan Recoveries–NJEDA .....	9,551	9,231	9,126
Miscellaneous Revenue .....	167	125	125
Nonpublic Schools Handicapped and Auxiliary Recoveries .....	11,330	5,000	5,000
Nonpublic Schools Textbook Recoveries .....	1,398	1,365	1,365
School Construction Inspection Fees .....	1,799	3,172	3,246
State Board of Examiners .....	2,456	2,554	2,554
	<u>30,072</u>	<u>24,047</u>	<u>24,016</u>
Department of Environmental Protection:			
Air Pollution Fees .....	17,244	17,500	18,950
Air Pollution Fines .....	2,412	3,500	3,500
Air Toxics Surcharge .....	—	—	6,000
Clean Water Enforcement Act .....	2,290	2,700	2,700
Coastal Area Development Review Act .....	1,275	1,800	1,800
Endangered Species Tax Checkoff .....	292	269	269
Environmental Infrastructure Financing Program–Administrative Fee .....	1,000	5,000	5,000
Excess Diversion .....	293	240	283
Freshwater Wetlands Fees .....	2,359	2,800	2,800
Freshwater Wetlands Fines .....	142	50	50
Hazardous Discharge Site Cleanup .....	9,684	—	—
Hazardous Waste Disposal Fee .....	—	—	11,000
Hazardous Waste Fees .....	704	2,130	2,230
Hazardous Waste Fines .....	1,315	632	400
Hunters' and Anglers' Licenses .....	13,010	12,897	12,897
Industrial Site Recovery Act .....	1,383	1,200	1,200
Laboratory Certification Fees .....	785	750	780
Laboratory Certification Fines .....	15	30	20
Marina Rentals .....	880	880	885
Marine Lands – Preparation and Filing Fees .....	1,620	170	170
Medical Waste .....	3,952	3,800	3,800
Miscellaneous Revenue .....	—	22	—
New Jersey Pollutant Discharge Elimination System/Stormwater Permits .....	15,425	12,100	12,100
New Jersey Spill Compensation Fund .....	4,737	—	—
Parks Management Fees and Permits .....	4,205	4,300	4,300
Parks Management Fines .....	177	183	184
Pesticide Control Fees .....	4,219	4,000	4,000
Pesticide Control Fines .....	47	40	40
Petro Chemical Environmental Impact Fee .....	—	—	150,000
Pollution Prevention Fund .....	808	—	—
Radiation Protection Fees .....	4,625	3,145	4,701
Radiation Protection Fines .....	110	80	90
Radon Testers Certification .....	257	258	260
Recycling Fund .....	4	—	—
Safe Drinking Water Fund .....	1,174	—	—
Shellfish and Marine Fisheries .....	4	7	7
Solid Waste – Utility Regulation Assessments .....	3,063	3,100	3,100
Solid Waste Fines – DEP .....	1,030	700	700
Solid Waste Management Fees – DEP .....	7,272	5,980	13,303
Solid and Hazardous Waste Disclosure .....	2,980	3,000	3,000
Spring Meadow Golf Course .....	279	300	300
Stormwater Permits .....	—	5,800	5,800
Stream Encroachment .....	2,011	2,600	2,600
Toxic Catastrophe Prevention Fees .....	1,179	1,250	1,550
Toxic Catastrophe Prevention Fines .....	4	25	40
Treatment Works Approval .....	1,137	1,492	2,073
Underground Storage Tanks Fees .....	1,091	1,000	1,000
Water Allocation .....	686	3,272	2,050
Water Supply Fund .....	40	—	—
Water Supply Management Regulations .....	1,795	1,475	1,387
Water/Wastewater Operators Licenses .....	208	215	215
Waterfront Development Fees .....	1,567	2,400	2,400
Well Permits/Well Drillers/Pump Installers Licenses .....	1,004	1,100	1,070
Wetlands .....	4	24	24

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Worker Community Right to Know – Fees .....	75	—	—
Worker Community Right to Know – Fines .....	49	42	60
	121,921	114,258	291,088
<b>Department of Health and Senior Services:</b>			
Admission Charge Hospital Assessment .....	6,000	6,000	6,000
Animal Control Act .....	299	—	—
Clinical Laboratory .....	577	—	—
Consumer Health Penalties .....	3,090	—	—
HMO Covered Lives .....	3,019	2,600	2,600
Health Care Reform .....	1,200	1,200	1,200
Licenses, Fines, Permits, Penalties & Fees .....	3,412	790	790
Miscellaneous Revenue .....	1,512	400	400
Pharmaceutical Assistance to the Aged – Recoveries .....	2,036	—	—
Rabies Control .....	483	—	—
	21,628	10,990	10,990
<b>Department of Human Services:</b>			
Child Care Licensing/Adoption Law .....	300	325	350
Commission for the Blind – Miscellaneous .....	656	—	—
Early Periodic Screening, Diagnosis and Treatment .....	200	3,000	3,000
Interim Assistance .....	459	—	—
Marriage License Fees .....	1,383	1,309	1,450
Medicaid Uncompensated Care – Acute .....	257,932	301,579	309,942
Medicaid Uncompensated Care – Mental Health .....	30,475	32,414	31,307
Medicaid Uncompensated Care – Psychiatric .....	185,290	171,088	178,685
Medical Assistance – Recoveries .....	19,869	—	—
Medical Assistance–Federal Match on PAAD/Medicaid Dual Eligibles .....	1,112	1,500	2,200
Miscellaneous Revenue .....	2,179	1,500	48,500
Patients’ and Residents’ Cost Recovery – Developmental Disability .....	15,886	14,792	14,809
Patients’ and Residents’ Cost Recovery – Psychiatric Hospitals .....	56,519	52,592	61,643
Payments for Medical Assistance Recipients – Prescription Drugs .....	132,724	—	—
Purchased Institutional Care .....	4,120	—	—
School Based Medicaid .....	22,100	20,000	20,000
	731,204	600,099	671,886
<b>Department of Labor and Workforce Development:</b>			
Miscellaneous Revenue .....	—1	—	—
Special Compensation Fund .....	2,279	1,660	1,670
State Disability Benefits Fund .....	5,988	—	—
Urban Enterprise Zone Administration Cost .....	17	—	—
Workers’ Compensation Assessment .....	16,875	11,938	12,014
Workforce Development .....	7,541	—	—
Workplace Standards – Licenses, Permits and Fines .....	8,727	2,820	2,820
	41,426	16,418	16,504
<b>Department of Law and Public Safety:</b>			
Authorities Recruit Class Reimbursement .....	—	—	2,500
Beverage Licenses .....	6,783	3,960	3,960
<b>Division of Consumer Affairs:</b>			
<b>General Revenues:</b>			
Charities Registration Section .....	1,446	695	695
Consumer Affairs .....	3,906	—	—
Controlled Dangerous Substances .....	871	100	100
Legalized Games of Chance Control .....	1,217	1,200	1,200
Private Employment Agencies .....	674	258	258
Securities Enforcement .....	12,230	16,047	8,994
Weights and Measures – General .....	3,472	2,612	2,612
<b>Professional Examining Boards:</b>			
New Jersey Cemetery Board .....	266	50	132
State Board of Architects .....	956	375	480
State Board of Audiology and Speech–Language Pathology Advisory .....	51	100	25

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
State Board of Certified Psychoanalysts . . . . .	—	50	50
State Board of Certified Public Accountants . . . . .	2,315	220	176
State Board of Chiropractors . . . . .	416	450	240
State Board of Cosmetology and Hairstyling . . . . .	5,764	1,000	2,680
State Board of Dentistry . . . . .	454	850	280
State Board of Electrical Contractors . . . . .	1,829	120	40
State Board of Marriage Counselor Examiners . . . . .	651	200	400
State Board of Master Plumbers . . . . .	1,047	300	640
State Board of Medical Examiners . . . . .	11,752	2,600	4,400
State Board of Mortuary Science . . . . .	597	400	320
State Board of Nursing . . . . .	6,783	6,050	3,900
State Board of Occupational Therapists and Assistants . . . . .	104	140	60
State Board of Ophthalmic Dispensers and Ophthalmic Technicians . . . . .	89	135	48
State Board of Optometrists . . . . .	713	75	400
State Board of Orthotics and Prosthetics . . . . .	67	50	80
State Board of Pharmacy . . . . .	2,948	556	760
State Board of Physical Therapy . . . . .	244	250	120
State Board of Professional Engineers and Land Surveyors . . . . .	612	850	360
State Board of Professional Planners . . . . .	87	75	40
State Board of Psychological Examiners . . . . .	854	225	180
State Board of Real Estate Appraisers . . . . .	211	885	120
State Board of Respiratory Care . . . . .	53	125	25
State Board of Shorthand Reporting . . . . .	55	60	25
State Board of Social Workers . . . . .	2,152	700	700
State Board of Veterinary Medical Examiners . . . . .	545	150	360
Criminal Disposition . . . . .	444	—	—
EDA School Construction Recoveries . . . . .	—	800	800
General Client Services . . . . .	31,214	—	—
Legal Services . . . . .	20,639	—	—
Miscellaneous Revenue . . . . .	494	—	—
Pleasure Boat Licenses . . . . .	3,317	3,200	3,200
Retired Officer Handgun Permit . . . . .	217	—	—
Safe & Secure Receipts . . . . .	306	—	—
State Police – Fingerprint Fees . . . . .	10,328	2,694	2,694
State Police – Other Licenses . . . . .	237	204	204
State Police – Private Detective Licenses . . . . .	450	220	220
State Police Recruit Training . . . . .	64	—	—
Victim and Witness Advocacy Fund . . . . .	1,186	—	—
Violent Crime Compensation . . . . .	8,060	3,930	3,930
	<u>149,170</u>	<u>52,961</u>	<u>48,408</u>
Department of Military and Veterans' Affairs:			
Miscellaneous Revenue . . . . .	1,490	—	—
Soldiers' Homes . . . . .	25,202	27,242	28,765
	<u>26,692</u>	<u>27,242</u>	<u>28,765</u>
Department of Personnel:			
Examination Fees . . . . .	1,269	—	—
Human Resource Development Institute . . . . .	3,354	—	—
	<u>4,623</u>	<u>—</u>	<u>—</u>
Department of State:			
Miscellaneous Revenue . . . . .	382	—	—
Department of Transportation:			
Air Safety Fund . . . . .	372	965	965
Applications and Highway Permits . . . . .	1,389	1,300	1,775
Auto Body Repair Shop Licensing . . . . .	555	19	15
Autonomous Transportation Authorities . . . . .	24,500	24,500	2,500
Drunk Driving Fines . . . . .	380	350	350
Good Driver . . . . .	60,279	61,000	61,000
Graduated Driver's License . . . . .	1,337	1,600	1,600
Heavy Duty Diesel Fines . . . . .	401	640	640
Interest on Purchase of Right of Way . . . . .	5	5	5

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Logo Sign Program Fees . . . . .	540	300	300
Miscellaneous Revenue . . . . .	5	—	—
Motor Vehicle Database—Automated Access . . . . .	59,067	55,327	55,327
Motor Vehicle Fees . . . . .	115	—	—
Motor Vehicle Inspection Fund . . . . .	79,174	76,710	76,710
Motor Vehicle Security – Responsibility Law Administration . . . . .	13,557	—	—
Motor Vehicle Surcharge Program . . . . .	638	360	360
Outdoor Advertising . . . . .	1,559	10,740	10,740
Petitions and Motor Carrier Inspections . . . . .	784	—	—
Photo Licensing . . . . .	3,623	46	—
Placarded Railcar . . . . .	57	—	—
Rental Receipts – Tenant Relocation Program . . . . .	372	—	—
Salvage Title Program . . . . .	1,111	980	980
School Bus Inspection Fee . . . . .	1,169	—	—
Special Plate Fees . . . . .	1,029	750	750
Uninsured Motorists Program . . . . .	3,429	3,400	3,400
	255,447	238,992	217,417
Department of the Treasury:			
Assessment on Houses Greater Than \$1 Million . . . . .	—	—	24,000
Assessments – Cable TV . . . . .	3,738	3,976	3,976
Assessments – Public Utility . . . . .	23,733	24,815	24,600
Casino Fines . . . . .	601	—	—
Coin Operated Telephones . . . . .	4,213	4,100	4,100
Commercial Recording – Expedited . . . . .	3,077	2,853	2,853
Commissions . . . . .	1,233	1,000	1,000
Communication Fee – Lottery . . . . .	284	—	—
Cost Assessment . . . . .	3,164	—	—
Dormitory Safety Trust Fund – Debt Service Recovery . . . . .	—	5,472	5,731
Equipment Leasing Fund – Debt Service Recovery . . . . .	4,014	4,169	4,642
Escrow Interest – Construction Accounts . . . . .	26	15	15
Fund for the Support of Free Public Schools . . . . .	25,436	—	—
General Revenue – Fees . . . . .	26,884	31,580	32,080
Higher Education Bond Interest Recoveries . . . . .	5,270	—	—
Higher Education Capital Improvement Fund – Debt Service Recovery . . . . .	—	9,255	11,250
Hotel Occupancy Tax . . . . .	—	111,400	86,805
Investment Earnings . . . . .	26,342	—	—
Miscellaneous Revenue . . . . .	2,195	260	260
NJ Economic Development Authority . . . . .	—	22,025	2,200
NJ Public Records Preservation . . . . .	—	—	39,000
New Jersey Redevelopment Authority . . . . .	—	9,000	—
New Revenue Securitizations . . . . .	—	—	1,520,000
Nuclear Emergency Response Assessment . . . . .	4,000	4,011	4,073
ODS Mediation Fees . . . . .	128	158	158
Public Defender Client Receipts . . . . .	5,071	5,340	5,340
Public Utility – Customer Specific Tax . . . . .	1,986	1,998	1,998
Public Utility Fines . . . . .	472	500	—
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer) . . . . .	76,491	69,000	69,000
Railroad Tax – Class II . . . . .	3,135	3,100	3,100
Railroad Tax – Franchise . . . . .	1,091	590	590
Rate Payer Advocate . . . . .	6,648	6,769	6,769
Sale of Real Property . . . . .	942	3,600	18,100
Second Referral Debt Collection—Hospitals . . . . .	—	—	22,251
State Disability Benefits Fund . . . . .	22	—	—
Stormwater Management—Combined Sewer Overflow . . . . .	1,123	—	—
Surplus Property . . . . .	724	950	950
Tax Audit Services – Uncollected Revenue Recovery . . . . .	239	—	—
Tax Enforcement . . . . .	—	—	25,000
Tire Clean—Up Surcharge . . . . .	—	—	12,300
Transitional Energy Facilities Assessment . . . . .	233,037	211,000	211,000
Wireless Communications/Cell Tower Assessment . . . . .	—	—	33,000
	465,319	536,936	2,176,141

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Other Sources:			
Miscellaneous Revenue .....	822	500	500
Interdepartmental Accounts:			
Administration and Investment of Pension & Health Benefit Funds – Recoveries .....	52,300	48,000	47,000
Employee Maintenance Deductions .....	300	300	300
Fringe Benefit Recoveries from Colleges and Universities .....	82,570	101,000	103,000
Fringe Benefit Recoveries from Federal and Other Funds .....	102,178	156,825	159,825
Fringe Benefit Recoveries from School Districts .....	23,282	31,000	32,000
Indirect Cost Recoveries – DEP Other Funds .....	9,980	10,790	11,040
Indirect Cost Recovery – Federal and Other Funds .....	240	—	—
MTF Revenue Fund .....	52,707	105,647	97,500
Miscellaneous Revenue .....	84	—	—
NJ Surplus Lines Guaranty Fund .....	43,352	—	—
Rent of State Building Space .....	1,414	1,376	1,376
Social Security Recoveries from Federal and Other Funds .....	43,429	44,000	45,000
Standard Offer Payments – Utilities .....	1,090	—	—
	<u>412,926</u>	<u>498,938</u>	<u>497,041</u>
Judicial Branch			
The Judiciary:			
Civil Arbitration Program .....	3,148	—	—
Court Fees .....	55,027	61,015	59,515
Court Unification County Reimbursements .....	—	2,200	—
Miscellaneous Revenue .....	343	—	—
	<u>58,518</u>	<u>63,215</u>	<u>59,515</u>
<i>Total Miscellaneous Taxes, Fees, Revenues</i> .....	<u>2,580,502</u>	<u>2,340,784</u>	<u>4,198,304</u>
<b>Interfund Transfers</b>			
Beaches and Harbor Fund .....	23	15	15
Clean Waters Fund .....	70	21	18
Correctional Facilities Construction Fund .....	10	6	6
Correctional Facilities Construction Fund – 1987 .....	80	21	7
Cultural Center and Historic Preservation Fund – 1987 .....	81	40	35
Developmental Disabilities Waiting List Reduction Fund .....	599	220	129
Dredging and Containment Facility Fund .....	—	338	338
Emergency Flood Control Fund .....	6	7	7
Emergency Service Fund .....	2,900	—	—
Energy Conservation Fund .....	—	—	15
Enterprise Zone Assistance Fund .....	41,535	2,552	2,050
Fund for the Support of Free Public Schools .....	4,900	—	—
Garden State Farmland Preservation Trust Fund .....	1,650	1,764	1,764
Garden State Green Acres Preservation Trust Fund .....	4,495	5,006	5,006
Garden State Historic Preservation Trust Fund .....	403	489	609
Hazardous Discharge Fund .....	6	2	2
Hazardous Discharge Site Cleanup Fund .....	17,452	18,469	17,637
Housing Assistance Fund .....	77	54	50
Human Services Facilities Construction Fund .....	4	1	—
Institutions Construction Fund .....	—	1	1
Jobs, Education and Competitiveness Fund .....	224	85	50
Jobs, Science and Technology Fund .....	1	—	—
Judiciary Bail Fund .....	517	300	300
Judiciary Child Support and Paternity Fund .....	433	275	275
Judiciary Probation Fund .....	150	105	105
Judiciary Special Civil Fund .....	45	30	30
Judiciary Superior Court Miscellaneous Fund .....	91	55	55
Legal Services Trust Fund .....	10,071	10,750	10,750
Medical Education Facilities Fund .....	9	5	5
Mortgage Assistance Fund .....	762	760	760
Motor Vehicle Security Responsibility Fund .....	4	4	4
NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund .....	198	74	55
Natural Resources Fund .....	65	15	38

# REVENUES & EXPENDITURES

## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
New Jersey Green Acres Fund – 1983 .....	—	197	197
New Jersey Insolvent Health Maintenance Organization .....	445	250	—
New Jersey Spill Compensation Fund .....	13,571	14,841	21,661
Pineland Infrastructure .....	206	—	—
Pollution Prevention Fund .....	2,269	2,380	2,380
Public Purpose Buildings Construction Fund .....	5	1	1
Public Purpose and Community Based Facilities Construction Fund .....	186	74	42
Real Estate Guaranty Fund .....	—	1,000	—
Safe Drinking Water Fund .....	2,928	2,339	2,339
School Fund Investment Account .....	2,824	—	2,931
Shore Protection Fund .....	270	188	181
Solid Waste Services Tax Fund .....	111	50	50
State Disability Benefit Fund General Account .....	25,117	56,817	136,929
State Land Acquisition and Development Fund .....	16	8	5
State Lottery Fund .....	765,401	790,000	795,000
State Lottery Fund – Administration .....	22,097	21,491	21,491
State Recreation and Conservation Land Acquisition and Development – 1974 .....	387	12	5
State Recycling Fund .....	983	1,046	1,046
State of New Jersey Cash Management Fund .....	3,256	3,256	3,256
Statewide Transportation and Bridge Fund – 1999 .....	9,362	3,400	500
Supplemental Workforce Fund for Basic Skills .....	2,000	2,000	2,000
Tobacco Settlement Fund .....	1,556,674	1,612,410	—
Transportation Rehabilitation and Improvement Fund of 1979 .....	6	4	4
UMDNJ Self Insurance Fund .....	60,000	—	—
Unclaimed Insurance Payments .....	35	22	20
Unclaimed Personal Property Trust Fund .....	270,621	164,760	194,075
Unclaimed Utility Deposit .....	53	35	45
Unemployment Compensation Tax Auxiliary Fund .....	16,386	17,675	17,530
Universal Service Fund .....	—	72,000	72,000
Unsatisfied Claim and Judgment Fund .....	2,461	1,400	—
Wage and Hour Trust Fund .....	18	75	75
Water Conservation Fund .....	44	28	20
Water Supply Fund .....	3,412	3,779	3,779
Worker and Community Right to Know Fund .....	2,396	3,484	3,484
Workforce Development Partnership Fund .....	40,742	43,839	17,042
<i>Total Interfund Transfers</i> .....	<u>2,891,143</u>	<u>2,860,325</u>	<u>1,338,204</u>
<b>Total State Revenues General Fund</b> .....	<b><u>16,770,469</u></b>	<b><u>16,627,903</u></b>	<b><u>17,870,542</u></b>
<b>PROPERTY TAX RELIEF FUND</b>			
Gross Income Tax .....	<u>6,735,282</u>	<u>7,240,000</u>	<u>7,843,000</u>
<b>CASINO CONTROL FUND</b>			
Investment Earnings .....	240	—	—
License Fees .....	65,147	59,370	63,700
<i>Total Casino Control Fund</i> .....	<u>65,387</u>	<u>59,370</u>	<u>63,700</u>
<b>CASINO REVENUE FUND</b>			
Casino Simulcasting Fund .....	2,000	700	700
Gross Revenue Tax .....	346,518	369,000	384,000
Investment Earnings .....	34	180	180
Newly Enacted Casino Taxes and Fees .....	—	90,000	94,000
PAAD Recoveries .....	73,532	—	—
<i>Total Casino Revenue Fund</i> .....	<u>422,084</u>	<u>459,880</u>	<u>478,880</u>

# REVENUES & EXPENDITURES

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## SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>GUBERNATORIAL ELECTIONS FUND</b>			
Taxpayers' Designations .....	706	1,500	1,500
<b>TOTAL STATE REVENUES</b> .....	<b>23,993,928</b>	<b>24,388,653</b>	<b>26,257,622</b>

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Dedicated:</b>			
Executive Branch—			
Chief Executive:			
State Authority Review and Oversight .....	1,131	1,100	1,100
Department of Agriculture:			
Administration – Development Potential Transfer Bank .....	7	88	40
Administrative Costs – Farmland Preservation .....	440	500	651
Animal Disease Control .....	—	142	142
Commodity Distribution .....	1,854	1,501	1,501
Fruit and Vegetable Grading Service .....	375	162	162
Future Farmers of America – Student Loans from Department of Education .....	77	70	70
Horse Breeding and Development Fund .....	385	370	380
Marketing and Development Services .....	—	724	724
Nursery Inspection Program .....	—	260	260
Plant Pest and Disease Control .....	—	22	22
Poultry Service .....	931	816	810
Promotion/Market Development .....	—	70	70
Sire Stakes .....	4,179	4,200	4,300
Standardbred Breeder Awards .....	228	230	220
Stormwater Discharge Permit Fees .....	—	130	200
Miscellaneous .....	335	319	232
	8,811	9,604	9,784
Department of Banking and Insurance:			
Fines Collected by the Insurance Fraud Division .....	1,747	—	—
Individual Health Care Program Assessments .....	—	7,500	7,500
Public Adjusters Licensing .....	—	52	52
Small Employer Health Benefits .....	250	322	322
Supervision and Examination of Financial Institutions .....	—	250	400
Miscellaneous .....	77	64	64
	2,074	8,188	8,338
Department of Community Affairs:			
Fire Certification Program .....	16	283	318
Grants to Displaced Homemaker Centers .....	753	688	688
Historic Preservation License .....	21	25	25
Housing Code Enforcement .....	—	1,830	2,824
Housing Opportunities for Persons with AIDS .....	639	600	923
Housing Services .....	578	1,183	1,182
Individual Development Escrow .....	115	—	—
Lead Hazard Control Assistance Fund Administration .....	—	—	500
New Home Warranty Program .....	3,326	4,316	4,316
New Jersey Meadowlands Commission – Operations .....	—	3,205	3,205
New Jersey Meadowlands Tax Sharing Stabilization Fund .....	—	165	165
Paterson Housing Opportunities for Persons with AIDS Program .....	438	384	600
Planned Real Estate Development Full Disclosure Act .....	—	750	750
Prevention of Homelessness .....	222	243	243
Truth in Renting .....	—	143	143
Uniform Construction Code .....	—	8,507	9,364
Uniform Fire Code .....	—	6,512	9,548
Miscellaneous .....	458	1,125	1,125
	6,566	29,959	35,919
Department of Corrections:			
Administration and Support Services .....	23,440	23,426	22,850
Miscellaneous .....	598	465	419
	24,038	23,891	23,269
Department of Education:			
Abbott Implementation .....	—	11,287	11,751
Compliance and Auditing .....	452	1,550	1,550
Dodge Foundation Donation – Principal Recognition Program .....	18	—	—
Drug Abuse Education Fund .....	—	250	250
Early Childhood .....	—	2,638	2,702
Facilities Planning and School Building Aid .....	—	561	737



# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Marie H Katzenbach School for the Deaf–Tuition–Local Boards . . . . .	7,366	7,149	7,637
NJ ELITE Grant Program . . . . .	123	129	129
Professional Development and Licensure . . . . .	1,959	1,913	2,004
Program for Medically Fragile/Behaviorially Difficult Deaf Pupils . . . . .	733	906	1,160
Rental of Vacant Building Space . . . . .	117	352	459
State Action for Education Leadership Project . . . . .	63	63	50
Utility Settlement Receipts . . . . .	4,000	703	—
Vocational Technology Upgrade . . . . .	200	200	200
Whole School Reform Finance . . . . .	—	224	232
Miscellaneous . . . . .	100	294	264
	<u>15,131</u>	<u>28,219</u>	<u>29,125</u>
Department of Environmental Protection:			
Administrative Costs Water Supply Bond Act of 1981 – Management . . . . .	—	20	325
Administrative Costs Water Supply Bond Act of 1981 – Planning and Standards . . . . .	—	17	28
Administrative Costs Water Supply Bond Act of 1981 – Watershed and Aquifer . . . . .	—	25	50
Aeroflex Foundation – Kittatinny Valley State Park . . . . .	25	—	—
Air Fines . . . . .	—	—	600
Artificial Reef Program–PSE&G/NJPDES Permit Fees . . . . .	275	—	—
Battleship New Jersey Memorial Fund . . . . .	226	160	160
Battleship New Jersey Tax Check–Off . . . . .	85	90	90
Board of New Jersey Pilot Commissioners . . . . .	270	270	270
Drinking Water State Revolving Fund – Capacity Development . . . . .	279	800	452
Drinking Water State Revolving Fund – Delineation and Assessments . . . . .	500	850	—
Drinking Water State Revolving Fund – Operator Certification . . . . .	248	800	147
Drinking Water State Revolving Fund – Program Administration . . . . .	1,598	1,023	1,159
Drinking Water State Revolving Fund – Small System Technical Assistance . . . . .	323	500	608
Drinking Water State Revolving Fund – Source Water Program Administration . . . . .	555	800	500
Endangered and Nongame Species of Wildlife Fund . . . . .	315	200	235
Exotic and Nongame Species Inspection Fund . . . . .	147	200	189
Farley Marina Escrow . . . . .	278	257	257
Fish & Wildlife Field Office Projects . . . . .	—	30	1
Forest Resource Management Special Revenue . . . . .	252	200	200
Greenhouse Gas Action Plan . . . . .	—	239	239
Hackettstown Pequest Hatchery Donations . . . . .	73	—	—
Hazardous Discharge Site Cleanup Fund– Responsible Party . . . . .	—	8,581	10,496
Land Use Fines . . . . .	—	—	600
Landscape Irrigation Contractor Certification . . . . .	168	45	45
Liberty State Park License Plates . . . . .	100	50	50
Mammography Quality Standards Act . . . . .	268	287	287
New Jersey Outdoors . . . . .	88	—	—
New Jersey Waterfowl Stamp Act . . . . .	43	43	43
Nuclear Emergency Response . . . . .	—	—	928
Office of Dredging and Sediment Technology . . . . .	—	—	225
Oil Spill Prevention . . . . .	—	1,098	1,144
PSE&G Delaware River Striped Bass Recruitment Study . . . . .	—	31	27
PSE&G New Jersey Pollutant Discharge Elimination System Artificial Reef . . . . .	—	80	—
Palisades Interstate Park Commission (PIPC) – Court Fund Revenue . . . . .	—	508	505
Palisades Interstate Park Commission (PIPC) – Gas Station Revenue . . . . .	—	2,230	2,230
Palisades Interstate Park Commission (PIPC) – Operating Fund Revenue . . . . .	—	1,057	1,060
Parks Management Fees . . . . .	—	1,300	1,300
Parks Management Revolving Fund . . . . .	612	625	693
Pollution Prevention . . . . .	—	701	704
Private Well Testing – Safe Drinking Water Fund . . . . .	—	600	800
Recycling of Solid Waste . . . . .	—	380	415
Remediation Management and Response . . . . .	—	5,297	5,885
Safe Drinking Water Fund . . . . .	—	1,080	1,298
Sedge Island . . . . .	16	15	10
Shellfish Enforcement . . . . .	126	130	130
Shellfish Management . . . . .	146	110	72
Shore Protection Fund Projects . . . . .	14	2,500	6,250
Shore Protection License Plates . . . . .	981	1,000	1,000
Spring Meadow Golf Course . . . . .	852	850	850
State Public Water System Supervision Program . . . . .	128	1,013	312
State Revolving Fund – Administrative Costs . . . . .	2,281	2,400	2,400
Tidelands Peak Demands . . . . .	—	1,772	2,265
Underground Storage Tanks . . . . .	—	448	—

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Urban Forest Energy Efficiency Initiative .....	—	—	1,986
Water Pollution Fines .....	—	—	300
Worker and Community Right to Know Act .....	—	458	458
Miscellaneous .....	839	994	1,033
	12,111	42,164	51,311
<b>Department of Health and Senior Services:</b>			
AIDS Drug Distribution Program Rebates .....	10,284	6,500	8,000
Administrative Overhead – Non State Program .....	1,759	1,300	1,300
Alcohol Education Rehabilitation and Enforcement Fund .....	2,472	2,010	1,701
Alcohol Treatment Programs Fund .....	3,000	4,500	6,000
Animal Population Control Program – License .....	—	300	300
Certificate of Need Program .....	483	537	537
Clinical Laboratory Improvement Services .....	323	350	350
Drug Enforcement Demand Reduction Fund .....	—	350	350
Early Intervention – EIP Copays .....	76	4,000	7,000
Emergency Medical Services .....	77	—	79
Emergency Medical Technician Training Fund .....	95	1,800	1,800
Estrogen, Diet, Genetics and Endometrial Cancer .....	67	100	110
First Response EMT Cardiac Training Program .....	83	—	125
Health Care Cost Reduction Fund .....	18,510	39,100	45,237
Health Care Planning .....	7,200	7,200	7,200
Intergovernmental Transfer Payments .....	952,000	—	—
Lifeline HMFA Offset .....	25,000	—	—
Live Long Live Well .....	24	—	150
Managed Care Oversight .....	100	—	—
Medical Emergency Disaster Preparedness for Bioterrorism .....	—	7,500	7,500
NJ – AIDS Services Fund .....	13	—	—
NJ Emergency Medical Services Helicopter Response Program .....	—	1,894	1,894
Newborn Screening, Follow-up and Treatment .....	—	3,100	—
Office of the Public Guardian .....	341	600	600
Organ and Tissue Awareness Program .....	10	—	—
Partnerships for a Drug Free New Jersey .....	—	700	700
Prostate Cancer Study .....	57	50	—
Rabies Control Program .....	—	475	475
WIC Rebates .....	20,723	24,000	24,000
Worker and Community Right to Know .....	—	—	763
Miscellaneous .....	6,471	11,059	9,529
	1,049,168	117,425	125,700
<b>Department of Human Services:</b>			
SFEA Funds .....	37,876	27,432	27,432
Catastrophic Illness in Children Relief Fund .....	1,104	1,130	925
Children’s Trust Fund .....	246	519	519
Client Co-Payments-Developmental Disabilities .....	26,109	38,630	38,630
Criminal History Record Checks .....	257	120	120
Domestic Violence Victims Fund .....	353	—	—
Legally Responsible Relatives-Probation-Supplement .....	2,202	1,308	2,054
Management and Administrative Services .....	—	475	475
Mental Health Contract Fees .....	—	316	316
NJ KidCare .....	41,543	42,846	49,851
New Jersey Health Care Hospital Payments .....	466,073	466,073	425,655
Old Age Survivors Insurance .....	1,619	2,238	1,492
Olmstead Grant .....	10	—	—
Personal Needs Allowance .....	—	600	600
SSA Reimbursement to Enhance the Vocational Rehabilitation .....	233	300	300
Traumatic Brain Injury .....	3,415	—	—
Miscellaneous .....	91	—	—
	581,131	581,987	548,369
<b>Department of Labor and Workforce Development:</b>			
Division of Workers Compensation Uninsured Employers .....	693	—	—
Enforcement of Workplace Standards – Receipts .....	—	2,844	2,844
Health Care Tax Collection .....	4,809	5,600	5,700
Private Disability Insurance Plan .....	—	1,000	1,000
Public Works Contractor Registration .....	—	1,355	1,355
Reimbursement to Unemployment Insurance for Joint Tax Functions .....	—	2,600	2,600

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Special Compensation Fund .....	135,397	125,345	126,400
State Disability Insurance Plan .....	—	3,750	3,750
State School Construction .....	1,564	—	—
Urban Enterprise Zones – Employer Rebate Awards .....	161	—	—
Workers' Compensation .....	—	6,100	6,300
Workforce Development Partnership – Counselors .....	—	610	740
Workforce Development Partnership Program .....	—	1,100	1,330
Workforce Literacy and Basic Skills Program .....	—	220	265
Miscellaneous .....	25	30	30
	<u>142,649</u>	<u>150,554</u>	<u>152,314</u>
Department of Law and Public Safety:			
Administration and Support Services .....	—	1,729	—
Atlantic County Detention Center .....	1,638	1,832	1,962
Backstretch Benevolence .....	224	210	210
Body Armor Replacement Fund – Administrative Costs .....	75	74	74
Charity Racing Day for the Developmentally Disabled .....	134	—	—
Claims – Victims of Crime .....	—	3,870	3,870
Commercial Vehicle Enforcement Program .....	—	8,431	9,890
Commissions Award Program .....	2,259	2,500	2,500
Consumer Affairs Charitable Registrations Program .....	—	720	720
Consumer Affairs Weights and Measures Program .....	—	800	800
Controlled Dangerous Substance Registration Program .....	—	650	650
Criminal Disposition and Revenue Collection Fund .....	—	375	375
Criminal Justice Cost Recovery .....	—	256	236
D.O.T./State Police Construction Detail .....	—	6,399	5,547
DNA CODIS Compliance .....	—	278	278
Division of Consumer Affairs–Appropriated Receipts .....	—	3,593	3,593
Election Law Enforcement .....	—	300	300
FBI Mitochondrial DNA Testing .....	—	810	810
Forfeiture Program .....	2,350	2,255	2,255
Insurance Fraud County Prosecutor Reimbursements .....	—	3,500	3,500
Insurance Fraud Operations .....	29,771	31,771	31,771
Investigative Unit .....	407	526	526
Law Enforcement Officers Training and Equipment Fund .....	716	—	—
Medical Examiner Services .....	6,303	6,800	7,004
Motorcycle Safety Education Fund .....	424	—	—
New Jersey Emergency Medical Service Helicopter Program .....	—	5,495	5,495
New Jersey Expressway Authority .....	4,064	4,696	6,222
New Jersey Parkway Authority .....	20,894	24,219	26,641
New Jersey Turnpike Authority .....	20,866	23,325	25,657
Noncriminal Records Checks .....	—	7,550	12,973
Northeast Hazardous Waste Project–RCRA .....	198	274	274
Office of Counter–Terrorism .....	—	7,200	7,200
Pari–Mutuel Racing in Accordance with N.J.S.A. 5:5–37 .....	240	671	717
Pre–Race Blood Testing and Chemical Testing Program .....	3,229	3,036	3,317
Private Employment Agencies–Appropriated Revenue .....	—	410	410
Racing Officials .....	898	1,082	1,123
Regulation of Alcoholic Beverages .....	—	4,740	4,721
Regulation of Racing Activities .....	3,270	3,389	3,694
Retired Officers Handgun Permits .....	—	140	140
SFEA Funds .....	25,785	32,491	36,013
Safe and Secure Neighborhoods Program .....	7,281	7,100	7,100
Securities Enforcement Fund .....	—	5,500	5,500
Sexual Assault Nurse Examiner Program .....	22	—	—
State Athletic Control .....	676	500	500
State Forensic Laboratory Fund Program .....	919	800	800
State Police Central Lab Operations .....	—	761	934
State Police DNA Laboratory Enhancement .....	—	3,625	3,625
State Police Equine Lab Unit .....	—	1,377	1,549
State Police Operations .....	—	2,543	2,338
State Police Recruit Training .....	—	300	51
State Police–Private Detective Receipts .....	—	330	450
State Veterinarians–New Jersey Racing Commission .....	486	670	686
Vehicle Rental Surcharge State Police Salaries .....	—	1,900	1,900
Victim and Witness Advocacy Fund .....	—	1,128	1,478

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
WTC Emergency Protective Measures – NJ Task Force One . . . . .	528	—	—
Miscellaneous . . . . .	2,213	2,246	2,246
	135,870	225,177	240,625
Department of Military and Veterans' Affairs:			
Burial Services . . . . .	—	480	500
Distance Learning Center . . . . .	8	—	15
New Jersey National Guard Support Services . . . . .	—	1,000	1,000
Transitional Housing . . . . .	—	512	509
Miscellaneous . . . . .	102	97	97
	110	2,089	2,121
Department of Personnel:			
Human Resource Development Institute . . . . .	—	1,760	1,700
Shared Services Agriculture . . . . .	—	218	233
Shared Services Center State Parole Board/Motor Vehicle Commission . . . . .	—	1,055	1,075
Shared Services Pilot Program . . . . .	—	663	724
State and Local Government Operations . . . . .	—	1,200	900
	—	4,896	4,632
Department of State:			
Department of State Bookstore . . . . .	6	—	—
Extraordinary Programming . . . . .	450	268	268
Historic Preservation Licenses . . . . .	9	—	—
Law Enforcement Officers Memorial Fund . . . . .	—	—	150
Lila Wallace Readers Digest Fund . . . . .	300	300	300
Museum Services . . . . .	34	115	115
NJ Underground Railroad Journey . . . . .	9	—	—
New Jersey College Loans to Assist State Students (NJCLASS) . . . . .	4,362	3,531	3,783
New Jersey Workforce Development Coalition Initiative . . . . .	1,363	—	—
Office of Faith Based Initiatives Donations . . . . .	17	—	—
Public Broadcasting Services . . . . .	7,318	7,326	7,326
Receipts Derived From the Leasing of Space on Transmitter Towers . . . . .	967	940	940
Receipts Derived From the Rental of Studio and Production Facilities . . . . .	1,547	1,800	1,800
Receipts Derived From the Sale or Rental of NJPTV Productions . . . . .	48	50	50
Records Management . . . . .	—	28,150	31,000
TV Food Network/Time Warner Capital Project . . . . .	425	1,050	1,200
The Primary Care Physician/Dentist Loan Redemption Program . . . . .	1,000	1,000	1,000
War Memorial . . . . .	478	—	527
Miscellaneous . . . . .	502	330	330
	18,835	44,860	48,789
Department of Transportation:			
Amnesty Surcharge . . . . .	—	250	—
Applications and Highway Permits . . . . .	—	1,775	1,775
Commercial Vehicle Enforcement Program . . . . .	18,205	13,640	13,640
Cost of "Cause" Plates . . . . .	242	—	—
County and Other Shared Projects . . . . .	9,380	—	—
Digitized Driver's License and Motor Vehicle Services Modernization . . . . .	8,638	—	—
Enhanced Surcharge Collection . . . . .	1,420	—	—
Graduated Driver's License . . . . .	10,250	—	—
Greenwood Lake Airport . . . . .	110	—	—
In-Terminal School Bus Inspection Program . . . . .	—	1,906	1,906
Insurance Verification System . . . . .	3,512	—	—
Logo Sign Program . . . . .	—	220	220
Maritime Industry Fund . . . . .	977	—	—
Motor Vehicle Inspection Fund . . . . .	579	—	—
Motor Vehicle Services . . . . .	8,100	201,885	204,504
Motorbus Regulation . . . . .	—	980	980
NJ Medical Service Helicopter Response Act . . . . .	7,281	—	—
New Jersey Motor Vehicle Commission New Revenues . . . . .	8,331	42,000	42,000
Outdoor Advertising Program . . . . .	—	880	880
Placarded Railcar Program . . . . .	—	76	76
Rental Receipts, Tenant Relocation Program . . . . .	—	347	347
Security Responsibility . . . . .	—	15,071	15,071
	77,025	279,030	281,399

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of the Treasury:			
Administration of State Lottery	—	260	260
Annual Licensing Fee—Office of Administrative Law Publications	862	860	860
BPU Fines, Penalties and Settlements	—	—	2,500
Capital City Redevelopment Corporation	119	378	378
Confiscations from the Cigarette Tax Act	—	125	125
Division of Developmental Disabilities Community Placement and Services	27,030	27,030	27,030
Domestic Security	19,077	—	—
Economic Recovery Fund	17,607	17,607	17,605
Energy Tax Receipts	755,000	762,739	787,739
Governor's Council on Alcoholism and Drug Abuse	14,527	13,700	13,700
Judicial Hearings Receipts	2,678	2,305	2,305
Management of the DEP Properties	—	555	572
New Jersey Commerce and Economic Growth Commission	—	1,850	—
New Jersey Public Records Preservation	—	42,000	—
OIT—Availability and Recovery Site (OARS)	—	—	7,182
Office of Management and Budget	21,775	8,930	8,930
Other Capital Building Services	2,685	2,327	2,327
Other Distributed Taxes	3,835	3,363	3,363
Property Management and Construction – Property Management Services	298	292	301
Public Finance Activities	—	700	700
Purchasing and Inventory Management	—	90	90
Real Property Leasing Out Program	—	528	546
Residential Warranty Corporation	148	150	150
Royalties—Office of Administrative Law Publications	156	67	67
Taxation Compliance and Enforcement Activities	—	3,100	3,100
Third Party Subrogation For Property Damage	—	480	500
Unclaimed Property Trust Fund	4,964	6,162	6,162
Urban Enterprise Zone (UEZ) Authority (P.L. 1993,c.367) Administrative Expenses	2,094	2,961	2,661
Vendor Surcharge Collection – DMV	12,000	12,600	11,600
Miscellaneous	957	470	475
	<u>885,812</u>	<u>911,629</u>	<u>901,228</u>
Interdepartmental Accounts:			
Statewide Security Projects	—	—	3,000
Judicial Branch—			
The Judiciary:			
Automated Traffic System for Municipal Courts	9,216	9,175	9,551
Civil Courts	373	426	462
Comprehensive Enforcement Program	2,323	2,004	2,004
Court Adult Probation System	457	440	500
Court Technology Improvement Fund	11,872	13,900	12,700
Electronic Access To Court Records	644	400	408
Family Courts	431	400	400
Information Services	304	256	304
JAIBG – Juvenile Assessment	89	—	—
JAIBG AT Juvenile Incentive Block	21	—	—
JAIBG SP School Probation	105	—	—
Mercer Welfare Fraud Grant	—	54	54
Service Learning Program—JAIBG Ocean County	51	—	—
Special Civil Part Certified Mailers	1,330	1,340	1,340
State Community Partnership	2	—	—
State Incentive Program – Juvenile Justice Commission	143	—	—
Supreme Court	9,664	11,067	12,025
Youth Transition To Work Professional Education	8	—	—
Miscellaneous	635	13	13
	<u>37,668</u>	<u>39,475</u>	<u>39,761</u>
<i>Total Dedicated</i>	<u>2,998,130</u>	<u>2,500,247</u>	<u>2,506,784</u>

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>Federal:</b>			
Executive Branch—			
Department of Agriculture:			
Child Nutrition – Child Care .....	40,395	48,000	48,000
Child Nutrition – School Lunch .....	128,239	154,356	154,356
Cooperative Gypsy Moth Suppression .....	282	235	235
Farm Risk Management Education Program .....	336	307	307
Farmland Preservation .....	586	6,000	6,000
Fish Inspection Service .....	165	55	55
Food Distribution Administration Expense Fund .....	—	225	225
Jobs Bill – TEFAP .....	1,293	1,454	1,454
Child Nutrition – Administration .....	2,440	3,350	3,350
Child Nutrition – School Breakfast .....	19,625	30,000	30,000
Child Nutrition – Special Milk .....	860	1,400	1,400
Child Nutrition – Summer Programs .....	6,452	9,247	9,247
Team Nutrition Training .....	35	225	225
Various Federal Programs and Accruals .....	-4,368	1,104	1,104
	196,340	255,958	255,958
Department of Community Affairs:			
Community Services Block Grant .....	19,798	17,699	17,699
Emergency Shelter Grants Program .....	1,905	1,519	1,520
Fair Housing Initiatives Grant .....	55	—	—
HOPE for Elderly Independence Demonstration Program .....	214	—	—
HUD Disaster Recovery Initiative .....	1,523	—	—
Lead-Based Paint Abatement in Low and Moderate Income Housing .....	923	—	—
Moderate Rehabilitation Housing Assistance .....	11,520	11,550	11,925
National Affordable Housing—HOME Investment Partnerships .....	6,943	8,167	8,167
National Fire Academy Training Program .....	—	30	30
Permanent Housing for the Handicapped Homeless .....	181	—	—
Rape Prevention and Education .....	—	—	1,237
Section 8 Housing Voucher Program .....	156,052	159,000	163,600
Section 8 Operating Reserve Account .....	5	—	—
Shelter Plus Care Program .....	367	1,695	5,950
Small Cities Block Grant Program .....	11,468	9,746	9,746
Transitional Housing – Homeless .....	228	—	—
Weatherization Assistance Program .....	3,932	5,166	5,169
Various Federal Programs and Accruals .....	-4,606	241	166
	210,508	214,813	225,209
Department of Corrections:			
Project In-Side .....	352	514	541
Serious and Violent Offender Reentry Initiative .....	—	1,500	—
State Criminal Alien Assistance Program .....	7,193	7,000	3,832
Various Federal Programs and Accruals .....	4,334	50	50
	11,879	9,064	4,423
Department of Education:			
21st Century Schools .....	268	13,500	13,500
AIDS Prevention Education .....	614	263	263
Adult Basic Education – Administration/Discretionary .....	15,918	18,199	18,222
Bilingual and Compensatory Education – Homeless Children and Youth .....	695	1,238	1,238
Byrd Scholarship Program .....	1,089	1,200	1,200
Character Education Partnership .....	341	500	500
Class Size Reduction .....	2,613	—	—
Deaf/Blind Children Services – Administration/Discretionary .....	183	300	92
Drug-Free Schools and Communities – Administration .....	3,201	2,338	2,338
Drug-Free Schools and Communities – Discretionary .....	8,002	9,300	9,300
EESA, Title II – Math/Science Training, Exemplary .....	687	—	—
Educational Technology .....	10,359	13,274	13,274
Even Start Family Literacy Grant – Discretionary .....	3,803	5,150	5,150
Grants Management .....	—	2,460	2,460
IASA Consolidated Administration .....	5,041	5,331	5,331
IDEA – Handicapped .....	233,294	289,782	308,688
IDEA – Preschool Incentive Grant .....	11,046	12,373	12,373
Language Acquisition State Grants .....	11,086	16,041	16,041

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Mathematics and Science Partnerships Grants	—	2,249	1,800
Migrant Education – Administration/Discretionary	1,945	2,116	2,116
Public Charter Schools	2,604	4,000	4,000
Refugee Children School Impact Program	66	960	960
School Renovation Grants	9,857	—	—
State Assessments	4,251	9,321	9,321
State Grants for Improving Teacher Quality	61,051	70,703	70,703
State Improvement Grant, Administration	279	1,260	1,260
Title I – Accountability Grants	5,567	—	—
Title I – Comprehensive School Reform	6,913	7,850	7,850
Title I – LEA Disadvantaged	264,001	292,000	292,000
Title I – Part D, Neglected and Delinquent	1,573	1,981	2,047
Title I – Reading First State Grant	286	18,339	18,339
Title V – Innovative Program Strategies	11,213	10,914	10,914
Vocational Education – Basic Grants, Administration	24,550	24,553	24,551
Vocational Education Technical Preparation	2,408	2,251	2,251
Various Federal Programs and Accruals	1,402	2,107	2,107
	<b>706,206</b>	<b>841,853</b>	<b>860,189</b>
Department of Environmental Protection:			
Air Pollution Maintenance Program	5,844	6,319	6,319
Americorps	—	850	300
Artificial Reef Program–PSE&G/NJPDES Permit Fees	188	325	1,125
Asian Longhorned Beetle Project	—	—	100
Atlantic Coastal Cooperative Program	—	150	150
Boat Access (Fish and Wildlife)	—	1,000	1,000
Brownfields	—	5,000	5,000
Brownfields Preliminary Assessment/Site Investigation	—	1,500	—
Cape May Peninsula Project (Sandritter Property)	—	—	300
Cheesequake Marshland Acquisition	—	—	1,000
Clean Lakes Program	—	500	500
Clean Vessels	940	1,000	1,000
Climate Change Action Plan (Recycling of Landfill Gases)	—	100	—
Coastal Zone Management – 310	—	—	35
Coastal Zone Management – Federal Grant	—	1,000	—
Coastal Zone Management Implementation	3,791	6,100	6,165
Community Assistance Program	256	200	200
Community and Public Water Supply Operators – Expense Reimbursement	—	1,500	1,500
Comprehensive Coastal Water Quality Information Network Project	142	—	—
Comprehensive Wildfire Conservation Plan Coordination Federal Share	—	—	32
Consolidated Forest Management	1,180	1,049	1,374
Construction Grants Program	—	57,600	57,600
Countywide Wildfire Defense	—	—	50
Defensible Space	—	600	350
Delaware Bay	—	—	1,000
EPA Regional Applied Research	—	250	—
Economic Action Program	—	—	50
Endangered Species	31	75	75
Endangered and Nongame Species Program State Wildlife Grants	—	1,200	1,200
Environmental Justice	—	100	100
Estuary Program	357	—	—
Firewise in the Pines	—	350	200
Fish and Wildlife Health	8	189	190
Forest Legacy	—	10,010	10,040
Forest Resource Management–Cooperative Forest Fire Control	337	525	1,725
Forest Watershed Clean Water Action	45	—	—
Grassland Habitat Project	—	—	200
Hazardous Waste – Resource Conservation Recovery Act	4,438	4,281	4,281
Historic Preservation Survey & Planning	642	2,000	2,000
Hunters' and Anglers' License Fund	3,780	8,580	6,365
Intermodal Surface Transportation Efficiency Act	—	10,320	10,320
Investigation and Management of NJ's Nongame Freshwater Fisheries Resources	—	—	150
Land and Water Conservation Fund	—	5,000	5,000
Lower Cohansey Watershed	—	1,000	1,000
Marine Fisheries Investigation and Management	423	1,150	1,150
Multi–Media	462	750	750
Multi–Media Enforcement Grant	—	1,000	1,000

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
NJ Landowners Incentive	—	—	1,450
NJFO Bog Turtle Cooperative Agreement	—	50	50
National Coastal Wetlands Conservation	5	3,260	2,215
National Dam Safety Program (FEMA)	—	90	90
National Geologic Mapping Program	87	160	200
National Pollutant Discharge Elimination System Implementation Support Program	531	600	600
National Recreational Trails	576	1,250	1,500
New Jersey Commercial Blue Crab Fishery Economic Assistance Federal Share	—	—	230
Non-Point Source Implementation (319H)	6,042	2,400	2,400
Non-Point Source Implementation (319H) Supplemental	—	2,000	2,000
Particulate Monitoring Grant	803	1,500	1,500
Pennsauken Boat Access Renovation	10	—	—
Pesticide Mosquito Control Project	—	—	50
Pesticide Recording Program	20	20	20
Pesticide Technology	698	730	730
Pinelands Grant – Acquisition	—	6,000	6,000
Pollution Prevention Incentive	24	—	—
Preliminary Assessments/Site Inspections	2,248	3,000	3,000
Radon Program	440	500	500
Regional Climate and Fire Damage Modeling – Pinelands	—	—	100
Safe Drinking Water Act	2,306	22,200	22,200
Shortnose Sturgeon Research	—	—	150
Source Reduction Of Consumer Electronics Manufacturing Process	120	—	—
Southern New Jersey Drinking Water Sampling Project	—	—	50
Southern Pine Beetle	—	—	100
State Wetlands Conservation Plan	59	492	492
State Wildlife Grant Projects	—	390	1,200
State/EPA Data Management Grant	84	3,050	3,050
Superfund Grants	6,109	30,450	30,450
Telemetry Study of Red Knots and Atlantic Brant	—	—	80
Toxic Substance Compliance	—	50	—
US ACE Beachnesters	—	81	80
Underground Storage Tanks	239	2,055	2,055
Voluntary Cleanup Program	—	500	—
Voluntary Cleanup Site Specific	—	250	—
Water Monitoring and Planning	439	1,000	1,000
Water Pollution Control Program	2,765	4,250	4,250
Wildland/Urban Interface II	—	500	250
Wildlife Education	—	—	285
Wildlife Education Program	—	285	—
Wildlife Management Area Planning	—	—	300
Various Federal Programs and Accruals	-8,083	1,800	1,510
	38,386	220,486	221,033
Department of Health and Senior Services:			
AIDS Incarcerated Individuals in Corrections	1,077	1,300	900
Abstinence Education – FHS	1,094	1,012	1,122
Addiction Services Incentive Planning Grant	—	391	—
Asthma Surveillance and Coalition Building	117	356	356
Asthma and Hazardous Substances Applied Research	—	100	100
Behaviorial Risk Factor Surveillance Survey	127	261	261
Bioterrorism Hospital Emergency Preparedness	3,400	13,879	16,000
Birth Defects Surveillance Program	—	250	250
Center For Birth Defects Research & Prevention	541	1,600	1,600
Childhood Lead Poisoning	610	1,424	1,426
Chronic Disease Prevention and Health Promotion – Family Health Services	—	750	750
Chronic Disease Prevention and Health Promotion Programs – Addiction Services	—	—	1,246
Clinical Laboratory Improvement Amendments Program	465	473	497
Comprehensive AIDS Resources Grant	60,121	63,000	65,000
Comprehensive Breast and Cervical Cancer	1,632	4,200	—
Comprehensive State Based Tobacco Use Prevention Programs	1,554	1,300	—
Demonstration Program to Conduct Health Assessments	467	707	578
EBT Infrastructure (EDS) Special Grant	18	—	—
Early Hearing Detection and Intervention (EHDI) Tracking, Research	105	334	334
Early Intervention for Infants & Toddlers with Disabilities (Part H)	11,919	13,000	13,000
Eliminating Disparities in Perinatal Health	55	500	500
Emergency Preparedness For Bioterrorism	2,950	24,200	31,528



# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Essex County Healthy Start Initiative	8	—	—
Evaluation of Lead Dust Study	165	—	—
Evaluation of the Performance of Intergrated HIV/AIDS Surveillance	149	255	116
Exposure – Tremolite Asbestos – Vermiculite	86	200	220
Family Planning Program–Title X	3,734	3,500	3,500
Federal Lead Abatement Program	449	450	420
Federal Medicare Reimbursement	—	—	994
Federal Medicare Relief	—	—	90,000
Food Inspection	315	300	350
Genomics and Chronic Disease	—	250	—
HIV/AIDS Prevention and Education Grant	15,811	18,000	18,000
HIV/AIDS Surveillance Grant	4,093	6,594	7,214
Housing Opportunities For Persons With AIDS	1,240	4,763	4,763
Housing Opportunities for Incarcerated Persons with AIDS	—	1,200	900
Immunization Project	3,835	7,363	7,866
Job & Growth Tax Stimulus	143,066	—	—
Lead Training & Certification (Enforcement) Program	49	—	82
Lyme Disease Research	281	576	525
MCH Early Childhood Comprehensive System	—	100	100
Maternal and Child Health Block Grant	11,700	13,000	13,000
Medicare/Medicaid Inspections of Nursing Facilities	12,042	10,834	14,150
Memorandum of Agreement with Emory University–National Down Syndrome Study	—	—	150
Minority AIDS Demo	5	150	150
Morbidity & Mortality Review Program	—	150	150
NJ Ease For Caregivers – Building Support Systems	192	250	250
National Cancer Prevention and Control–Public Health	2,109	1,800	6,000
National Family Caregiver Program	5,118	4,500	4,100
National Program of Cancer Registries	227	—	—
New Jersey Community Choice Initiative	455	—	—
Nurse Aide Certification Program	—	1,958	1,958
Nursing Facilities Transition Grant	—	600	600
Older Americans Act – Title III	36,170	33,248	33,248
Pediatric AIDS Health Care Demonstration Project	1,715	2,850	2,850
Pregnancy Risk Assessment Monitoring System	—	750	750
Preparedness and Response for Bioterrorism	832	—	—
Preventative Health and Health Services Block Grant	4,401	5,431	3,896
Public Employees Occupational Safety & Health – State Plan	—	—	900
Public Health Laboratory Biomonitoring Planning	52	200	210
Research on Ecology of Lyme Disease in US	136	85	90
Senior Farmers Market Nutrition Program	374	1,000	1,000
Smallpox Immunization Program	—	3,000	—
State Data Infrastructure Project	—	110	—
State Regulation on Immunization Rates of Older Adults	180	160	—
Strategic National Stockpile Deployment Program	—	3,000	—
Substance Abuse Block Grant	42,054	51,385	53,385
Supplemental Food Program–W.I.C.	74,327	85,000	90,000
Surveillance, Epidemiology and End Results (SEER)	391	1,800	1,800
Tools For School Implementation Project	90	80	—
Traumatic Brain Injury Surveillance	1	105	105
Tuberculosis Control Program	7,368	10,000	6,069
USDA Older Americans Act – Title III	4,130	3,900	3,900
Universal Newborn Hearing Screening	30	250	250
Venereal Disease Project	2,909	3,500	3,800
Violence Related Injury Prevention	—	160	160
Vital Statistics Component	993	850	850
WIC Farmer’s Market Nutrition Program	744	1,300	2,000
West Nile Virus – Laboratory	—	200	200
West Nile Virus – Public Health	1,517	1,900	2,300
World Trade Center Substance Prevention – Response Emergency Disaster	172	—	—
World Trade Center Substance Prevention II	75	—	—
World Trade Center Substance Treatment II	210	—	—
Young Offender Reentry Program	—	500	490
Various Federal Programs and Accruals	-4,537	4,530	4,086
	465,715	421,124	523,345

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Human Services:			
Block Grant Mental Health Services .....	12,332	12,451	12,451
Child Care Block Grant .....	144,182	111,957	108,959
Child Support Enforcement Program .....	113,923	136,866	137,946
Community Based Residential Program Grant .....	577	1,000	1,000
Developmental Disabilities Council .....	1,495	1,577	1,577
Federal Independent Living .....	1,114	924	924
Food Stamp Program .....	82,604	83,851	88,047
Foster Grandparents Program .....	903	1,051	1,051
Low Income Energy Assistance Block Grant .....	88,443	75,603	75,603
Projects for Assistance in Transition from Homelessness (PATH) .....	245	1,476	1,476
Refugee Resettlement Program .....	1,262	5,705	5,705
Restricted Grant .....	10,908	10,932	12,239
Social Service Block Grant .....	50,395	51,430	51,425
Temporary Assistance to Needy Families Block Grant .....	571,155	571,979	499,130
Title IV–B Child Welfare Services .....	6,961	6,218	6,624
Title IV–E Foster Care .....	84,459	99,671	102,111
Title XIX – Child Residential .....	52,348	31,426	50,743
Title XIX Community Care Waiver .....	188,257	210,352	226,083
Title XIX ICF/MR .....	221,575	210,984	218,233
Title XIX Medical Assistance .....	2,929,520	3,465,761	3,156,221
Title XX Urban Empowerment Zone .....	1,845	—	—
Title XXI Childrens Health Insurance Program .....	300,694	275,026	225,619
Vocational Rehabilitation Act Section 120 .....	9,290	10,423	10,423
Various Federal Programs and Accruals .....	–278,079	7,501	7,686
	4,596,408	5,384,164	5,001,276
Department of Labor and Workforce Development:			
At Risk Youth Mentoring Program .....	14	—	—
Comprehensive Services for Independent Living .....	472	700	700
Current Employment Statistics .....	2,595	2,823	2,591
Disability Determination Services .....	44,789	47,000	46,020
Disabled Veterans' Outreach Program .....	1,643	2,300	2,500
ES Reemployment Services .....	1,047	1,000	1,100
Employment Services .....	17,817	22,855	23,859
Employment Services – One Stop Shopping .....	332	325	325
Employment Services Cost Reimbursable Grants – Migrant Housing .....	34	50	50
Employment Services Grants–Alien Labor Certification .....	1,326	2,419	2,419
Federal Public Employees Occupational Safety and Health Act .....	1,625	2,000	1,900
Local Veterans' Employment Representatives .....	1,341	1,500	1,700
National Council on Aging – Senior Community Services Employment Project .....	2,450	3,000	3,025
OASI (DDS) Intelligent Workstation Activities .....	—	1,000	1,000
OSHA Data Collection Survey .....	78	85	81
Occupational Informational Coordinating Program .....	146	159	159
Occupational Safety Health Act, On–Site Consultation .....	1,617	2,000	2,012
One Stop Labor Market Information .....	930	980	980
One Stop Technology Process Mapping .....	300	—	—
Redesigned Occupational Safety and Health (ROSH) .....	237	230	230
Reed Act Funds .....	12,699	—	—
Rehabilitation of Supplemental Security Income Beneficiaries .....	544	2,000	2,000
Supported Employment .....	811	1,200	1,200
Technical Assistance Training .....	516	1,700	1,700
Technology Related Assistance Project .....	442	700	700
Trade Adjustment Assistance Project .....	1,636	8,000	7,000
Unemployment Insurance .....	100,365	135,500	140,900
Vocational Rehabilitation Act of 1973 .....	46,501	44,350	44,650
WIA Title IIID Discretionary Funding .....	3,137	8,000	6,000
WIA–Toll Free Helpline .....	8	—	—
Welfare to Work .....	3,421	—	—
Work Opportunity Tax Credit .....	422	750	750
Workforce Investment Act .....	68,360	56,331	56,830
Workforce Investment Act–Title III Dislocated Workers .....	8,269	19,000	19,000
Various Federal Programs and Accruals .....	–16,697	145	145
	309,227	368,102	371,526

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Law and Public Safety:			
Atlantic County--Disaster Flooding	197	—	—
Bulletproof Vest Partnership	476	550	550
COPS MORE Officer 2000 Program	154	—	—
COPS TECH 2001 HI Technology Initiative	64	—	—
Casework DNA Backlog Reduction Program	—	1,300	1,300
Cert Program	20	500	500
Challenge Grant	125	300	300
Child Passenger Protection Education	173	250	300
Combat Underage Drinking – Discretionary	9	—	—
Combating Underage Drinking	542	360	360
Community Prosecutors Block Grant	—	1,000	1,000
Computer Aided Dispatch Maintenance	13,300	—	—
Convicted Offender In–House (DNA)	—	1,500	1,500
Cops Homeland Security– OT	—	1,426	1,426
Cops In Schools	—	1,000	1,000
Crime Victims' Compensations – VOCA For 9/11 Attack	659	—	—
Disaster Relief	2,692	—	—
Division of State Police Port Security	—	1,800	1,800
Domestic Marijuana Eradication Suppression Program	270	280	280
Domestic Preparedness Training	1,788	—	—
Drug Enforcement Administration and Grants	12,206	14,028	14,028
Drunk Driver Prevention	326	1,000	250
EMPG – Non–Terrorism	3,365	4,200	4,200
EMPG – Terrorism	365	—	—
Emergency Declaration 3169EM – World Trade Center Disaster	18,714	—	—
Equal Employment Opportunity Commission	261	532	532
FEMA Pre–Disaster Mitigation Grant	—	250	250
Domestic Preparedness Equipment Grant	—	2,500	2,500
Domestic Preparedness Equipment	—	52,000	52,000
Financial Investigations & Money Laundering Initiative	—	5,000	5,000
Flood Mitigation Assistance	858	90	90
Forensic Crime Laboratory Improvement Program	—	2,000	2,000
Forensic DNA Testing Program	—	1,000	1,000
Hazardous Materials Transportation	290	350	350
Help America Vote Act	16,837	22,950	13,600
High Intensity Drug Trafficking Area (HIDTA)	—	250	250
Incident Command	200	750	750
Innovative Seat Belt Use	66	900	900
Inter–coastal Maritime Patrol and Interdiction Program	—	1,800	1,800
Internet Crimes Against Children	23	300	300
Justice Assistance Grant (JAG)	—	—	17,000
Juvenile Accountability Incentive Block Grant	1,205	5,900	5,900
Juvenile Justice Delinquency Prevention	320	2,411	2,457
Local Law Enforcement Block Grant	1,105	1,400	1,400
Marine Police Boat	—	750	750
Medicaid Fraud Unit	1,848	2,550	2,550
National Criminal History Program–OAG	206	2,000	2,000
National Forensic Sciences Improvement Act Program	—	110	110
National Highway Traffic Safety Act – Section 402	2,885	5,504	5,848
National Highway Traffic Safety Act – Section 405	227	711	700
National Highway Traffic Safety Act – Section 411	—	125	300
New Jersey Anti–Money Laundering Initiative	—	750	750
Northeast Hazardous Waste Project–RCRA	148	250	250
Pre–Disaster Mitigation Grant–FEMA	50	—	—
Protecting Our Urban Areas	—	12,000	12,000
Public Safety Wireless Coordination Council – Initiative	—	244	244
Recreational Boating Safety	1,495	2,000	2,000
Residential Treatment for Substance Abuse	1,700	1,600	1,600
Rural Domestic Violence Program	10	—	—
Safety Incentive Grants	919	5,000	2,500
State Police In–Car Camera Technology Grant	204	200	200
State and Local All Hazards Emergency Operation Planning	420	—	—
Sussex/Morris Federal Disaster Declaration – 1337DR	936	—	—
Title V Funding	377	1,500	1,500
VOCA 9/11 Attack on America	377	—	—
Victim Assistance Grants	5,959	12,000	12,000
Victim Compensation Award	3,450	4,850	7,000

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Violence Against Women Act .....	2,822	4,000	4,000
World Trade Center Disaster Crisis Counseling FEMA Grant .....	200	—	—
Various Federal Programs and Accruals .....	20,083	1,045	1,270
	120,926	187,066	194,445
Department of Military and Veterans' Affairs:			
ARNG Transportation .....	—	—	125
Armory Renovations and Improvements .....	636	1,100	1,000
Army Facilities Service Contracts .....	1,049	2,500	2,500
Army National Guard Statewide Security Agreement .....	457	750	600
Army Training and Technology Lab .....	269	550	400
Atlantic City Air Base – Service Contracts .....	1,345	2,200	2,100
Atlantic City Operations and Maintenance .....	46	59	65
Atlantic City Environmental .....	—	42	50
Brigadier General Doyle Memorial Cemetery Building Project .....	3,141	6,000	6,900
Combined Logistics Facility .....	—	26,000	—
DFAC AR Operations .....	—	—	700
Design and Construction of the Vineland Memorial Veterans' Home .....	2,701	—	—
Design/Construct New Nursing Home Facility .....	58	—	—
Facilities Support Contract .....	2,263	3,272	3,500
Federal VA Distance Learning Program .....	23	456	456
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement .....	639	950	1,200
Hazardous Waste Environmental Protection Program .....	295	405	550
McGuire AFB Environmental .....	34	42	50
McGuire Air Force Base – Service Contracts .....	1,806	1,994	2,295
McGuire Operations and Maintenance .....	58	80	70
Medicare Part A Receipts for Resident Care and Operational Costs .....	3,185	3,638	4,518
Menlo Adult Day Care Funds .....	—	290	—
National Guard Communications Agreement .....	475	650	650
New Jersey National Guard Challenge Youth Program .....	1,414	2,800	2,000
New Jersey National Guard Counter Drug Program Interservice State–Federal .....	12	12	12
Training and Equipment – Pool Sites .....	164	400	269
Transitional Housing .....	427	352	360
VA Grant – Veterans Haven Life Safety Code Rehabilitation .....	—	339	—
Veterans' Education Monitoring .....	489	473	542
Various Federal Programs and Accruals .....	5,728	60	55
	26,714	55,414	30,967
Department of State:			
Americorps Grants .....	3,536	6,135	6,135
Leveraging Educational Assistance Partnership .....	2,805	2,531	3,376
NJ GEAR UP .....	1,966	2,730	2,730
National Endowment for the Arts Partnership .....	730	750	750
National Health Service Corps – Student Loan Repayment Program .....	140	240	240
National Telecommunications Information Agency .....	—	1,250	625
Student Loan Administrative Cost Deduction and Allowance .....	15,631	19,375	20,344
Various Federal Programs and Accruals .....	–85	350	202
	24,723	33,361	34,402
Department of Transportation:			
Airport Fund .....	2,882	21,000	21,000
Highway Planning and Research .....	20,184	15,367	15,367
Metropolitan Planning Funds .....	11,348	10,586	10,586
Motor Carrier Safety Assistance Program .....	2,834	9,808	9,808
New Jersey Transportation Planning Assistance .....	1,098	3,000	3,000
Supportive Services Highway Construction Training Program .....	905	500	500
Various Federal Programs and Accruals .....	588	—	—
	39,839	60,261	60,261

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of the Treasury:			
Building Energy Codes .....	44	—	—
Diamond Shamrock Oil Overcharge Settlement .....	—	500	617
Division of Gas Expansion .....	—	600	600
Fuel Cell Testing .....	402	—	—
Million Solar Roofs .....	10	—	—
State Energy Conservation Program .....	1,299	1,525	2,270
Various Federal Programs and Accruals .....	105	—	700
	<u>1,860</u>	<u>2,625</u>	<u>4,187</u>
Judicial Branch—			
The Judiciary:			
Drug Court – OJP – Direct .....	87	—	—
Juvenile Drug Court Grant .....	146	—	—
Various Federal Programs and Accruals .....	453	556	800
	<u>686</u>	<u>556</u>	<u>800</u>
<i>Total Federal</i> .....	<u>6,749,417</u>	<u>8,054,847</u>	<u>7,788,021</u>
<b>Revolving:</b>			
Legislative Branch—			
Legislature:			
Various Revolving Funds .....	13	—	—
Executive Branch—			
Department of Community Affairs:			
Administration and Support Services .....	506	—	—
Housing Services .....	—	2,750	2,750
Liquid Petroleum Gas Ed. & Safety Board .....	117	80	308
Uniform Construction Code .....	7,074	6,800	6,800
Various Revolving Funds .....	68	—	—
	<u>7,765</u>	<u>9,630</u>	<u>9,858</u>
Department of Corrections:			
Culinary Arts Vocational Program .....	6	180	185
Farm Operations .....	10,713	10,318	10,318
Institutional Care and Treatment .....	493	724	470
State Use .....	20,053	16,879	18,879
	<u>31,265</u>	<u>28,101</u>	<u>29,852</u>
Department of Education:			
Administration and Support Services .....	4,315	3,957	3,999
Adult and Continuing Education .....	291	375	450
Professional Development and Licensure .....	118	199	199
	<u>4,724</u>	<u>4,531</u>	<u>4,648</u>
Department of Environmental Protection:			
Administration and Support Services .....	183	135	135
Pesticide Control .....	282	—	—
Publicly-Funded Site Remediation .....	237	—	—
	<u>702</u>	<u>135</u>	<u>135</u>
Department of Health and Senior Services:			
Administration and Support Services .....	5,259	3,600	5,497
Laboratory Services .....	11,124	8,200	12,500
	<u>16,383</u>	<u>11,800</u>	<u>17,997</u>
Department of Human Services:			
Administration and Support Services .....	878	2,117	861
Income Maintenance Management .....	5,337	7,174	7,174
	<u>6,215</u>	<u>9,291</u>	<u>8,035</u>

# REVENUES & EXPENDITURES

## SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
Department of Labor and Workforce Development:			
Administration and Support Services .....	1,391	—	—
Planning and Analysis .....	65	—	—
	1,456	—	—
Department of Law and Public Safety:			
Criminal Justice .....	282	300	300
State Police Operations .....	158	553	553
	440	853	853
Department of State:			
Records Management .....	1,499	1,293	1,293
Department of Transportation:			
Administration and Support Services .....	632	—	—
Department of the Treasury:			
Adjudication of Administrative Appeals .....	896	895	895
Automotive Services .....	16,783	17,637	17,437
Capitol Post Office .....	1,546	1,648	1,648
Escrow – Construction Management Services .....	2,200	3,000	3,000
Office of Information Technology .....	98,291	98,178	98,178
Printing Services .....	1,957	2,324	2,324
Property Management and Construction – Construction Management Services .....	2,213	3,738	3,738
Public Information Services .....	1,430	1,293	1,293
Purchasing and Inventory Management .....	53,051	56,400	55,941
	178,367	185,113	184,454
<i>Total Revolving</i> .....	249,461	250,747	257,125
<b><i>Total Other Revenues General Fund</i></b> .....	<b>9,997,008</b>	<b>10,805,841</b>	<b>10,551,930</b>

### SPECIAL TRANSPORTATION FUND

<b>General:</b>			
County and Other Shared Projects .....	692	—	—
Transportation Trust Fund – Local Highway Funds .....	174,584	150,000	150,000
Transportation Trust Fund – Public Transportation Projects .....	517,440	618,200	546,000
Transportation Trust Fund – State Highway Funds .....	269,273	460,000	509,000
	961,989	1,228,200	1,205,000
<b>Federal:</b>			
Federal Highway Administration .....	723,015	647,363	705,000
<i>Total Special Transportation Fund</i> .....	1,685,004	1,875,563	1,910,000
<b>TOTAL OTHER REVENUES</b> .....	<b>11,682,012</b>	<b>12,681,404</b>	<b>12,461,930</b>

# REVENUES & EXPENDITURES

## SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>GENERAL FUND</b>			
<b>Legislative Branch</b>			
Senate .....	11,222	11,494	11,494
General Assembly .....	18,173	18,905	18,905
Office of Legislative Services .....	29,823	27,388	27,388
Legislative Commissions .....	5,294	4,974	5,562
State Capitol Joint Management Commission .....	9,073	9,001	9,001
Clean Ocean and Shore Trust Committee .....	156	144	144
	73,741	71,906	72,494
<b>Executive Branch</b>			
Chief Executive .....	5,707	5,367	5,267
Department of Agriculture .....	21,882	18,520	20,346
Department of Banking and Insurance .....	66,010	68,589	66,703
Department of Community Affairs .....	111,096	127,721	120,517
Department of Corrections .....	931,467	935,168	967,974
Department of Education .....	2,541,178	3,087,399	2,848,355
Department of Environmental Protection .....	430,730	420,850	418,831
Department of Health and Senior Services .....	1,002,708	838,305	1,299,006
Department of Human Services .....	4,322,589	4,240,618	4,554,442
Department of Labor and Workforce Development .....	114,517	91,751	91,732
Department of Law and Public Safety .....	530,200	508,810	493,656
Department of Military and Veterans' Affairs .....	92,440	79,433	83,812
Department of Personnel .....	28,760	26,103	25,448
Department of State .....	1,120,415	1,130,763	1,164,520
Department of Transportation .....	1,286,204	1,105,069	1,171,607
Department of the Treasury .....	1,158,289	1,221,758	1,243,229
Miscellaneous Commissions .....	1,417	1,373	1,373
	13,765,609	13,907,597	14,576,818
<b>Inter-Departmental Accts</b>			
Inter-Departmental Services .....	477,600	521,362	529,496
Employee Benefits .....	1,511,265	1,785,815	1,924,865
Other Inter-Departmental Accounts .....	37,047	53,020	70,394
Salary Increases and Other Benefits .....	29,728	11,000	165,238
	2,055,640	2,371,197	2,689,993
<b>Judicial Branch</b>			
The Judiciary .....	477,715	523,964	526,073
	477,715	523,964	526,073
<b>Total General Fund</b> .....	<b>16,372,705</b>	<b>16,874,664</b>	<b>17,865,378</b>
<b>CASINO CONTROL FUND – DIRECT STATE SERVICES</b>			
Department of Law and Public Safety .....	35,079	35,799	35,799
Department of the Treasury .....	25,674	27,901	27,901
<b>Total Casino Control Fund – Direct State Services</b> .....	<b>60,753</b>	<b>63,700</b>	<b>63,700</b>

# REVENUES & EXPENDITURES

## SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>CASINO REVENUE FUND</b>			
Department of Health and Senior Services .....	351,661	300,473	332,324
Department of Human Services .....	23,265	118,737	118,737
Department of Labor and Workforce Development .....	2,440	2,440	2,440
Department of Law and Public Safety .....	86	92	92
Department of Transportation .....	24,934	25,458	25,287
Department of the Treasury .....	34,669	—	—
<i>Total Casino Revenue Fund</i> .....	437,055	447,200	478,880
<b>GUBERNATORIAL ELECTIONS FUND – DIRECT STATE SERVICES</b>			
Department of Law and Public Safety .....	—	—	8,870
<b>PROPERTY TAX RELIEF FUND</b>			
Department of Community Affairs .....	927,675	925,069	926,069
Department of Education .....	4,956,057	5,196,129	5,879,286
Department of Environmental Protection .....	10,179	10,453	8,000
Department of the Treasury .....	1,301,484	1,025,119	1,029,645
<i>Total Property Tax Relief Fund</i> .....	7,195,395	7,156,770	7,843,000
<b>GRAND TOTAL EXPENDITURES BUDGETED</b> .....	<b>24,065,908</b>	<b>24,542,334</b>	<b>26,259,828</b>



# REVENUES & EXPENDITURES

## SCHEDULE 4 EXPENDITURES NOT BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2003 Actual	2004 Estimated	2005 Estimated
<b>GENERAL FUNDS</b>			
<b>Dedicated Funds</b>			
Chief Executive .....	1,268	1,100	1,100
Department of Agriculture .....	9,883	9,604	9,784
Department of Banking and Insurance .....	2,356	8,188	8,338
Department of Community Affairs .....	6,158	29,959	35,919
Department of Corrections .....	25,784	23,891	23,269
Department of Education .....	20,724	28,219	29,125
Department of Environmental Protection .....	19,933	42,164	51,311
Department of Health and Senior Services .....	1,036,377	117,425	125,700
Department of Human Services .....	544,408	581,987	548,359
Department of Labor and Workforce Development .....	141,903	150,554	152,314
Department of Law and Public Safety .....	159,542	225,177	240,625
Department of Military and Veterans' Affairs .....	3,343	2,089	2,121
Department of Personnel .....	—	4,896	4,632
Department of State .....	19,217	44,860	48,789
Department of Transportation .....	14,086	279,030	281,399
Department of the Treasury .....	853,659	911,629	901,228
Interdepartmental Accounts .....	—	—	3,000
The Judiciary .....	39,230	39,475	39,761
<i>Total Dedicated Funds</i> .....	<u>2,897,871</u>	<u>2,500,247</u>	<u>2,506,784</u>
<b>Federal Funds</b>			
Department of Agriculture .....	179,911	255,880	255,880
Department of Community Affairs .....	249,345	257,629	266,788
Department of Corrections .....	28,792	10,858	6,297
Department of Education .....	703,131	836,458	854,665
Department of Environmental Protection .....	52,787	220,486	221,033
Department of Health and Senior Services .....	1,373,995	1,828,288	1,483,676
Department of Human Services .....	3,554,054	3,865,735	3,925,216
Department of Labor and Workforce Development .....	316,754	368,102	373,526
Department of Law and Public Safety .....	130,474	191,631	199,052
Department of Military and Veterans' Affairs .....	49,314	55,414	30,967
Department of Personnel .....	270	—	—
Department of State .....	23,362	33,361	35,152
Department of Transportation .....	42,519	57,761	57,761
Department of the Treasury .....	4,161	4,076	5,638
Interdepartmental Accounts .....	461	—	—
The Judiciary .....	60,368	69,168	72,370
<i>Total Federal Funds</i> .....	<u>6,769,698</u>	<u>8,054,847</u>	<u>7,788,021</u>
<b>Revolving Funds</b>			
Legislature .....	14	—	—
Department of Community Affairs .....	9,072	9,630	9,858
Department of Corrections .....	30,145	28,101	29,852
Department of Education .....	3,489	4,531	4,648
Department of Environmental Protection .....	726	135	135
Department of Health and Senior Services .....	15,920	11,800	17,997
Department of Human Services .....	7,551	9,291	8,035
Department of Labor and Workforce Development .....	1,284	—	—
Department of Law and Public Safety .....	634	853	853
Department of State .....	1,231	1,293	1,293
Department of Transportation .....	574	—	—
Department of the Treasury .....	184,924	185,113	184,454
<i>Total Revolving Funds</i> .....	<u>255,564</u>	<u>250,747</u>	<u>257,125</u>
<i>Total Expenditures General Fund</i> .....	<u>9,923,133</u>	<u>10,805,841</u>	<u>10,551,930</u>
<b>SPECIAL TRANSPORTATION TRUST FUND</b>			
General .....	1,765,762	1,875,563	1,910,000
<b>GRAND TOTAL EXPENDITURES NOT BUDGETED</b> .....	<u>11,688,895</u>	<u>12,681,404</u>	<u>12,461,930</u>

# SUMMARIES OF APPROPRIATIONS

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

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

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

**TABLE II**  
**SUMMARY OF FISCAL YEAR 2004–05 APPROPRIATION RECOMMENDATIONS**  
(thousands of dollars)

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

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

# 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.

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

# SUMMARIES OF APPROPRIATIONS

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

## SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

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

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

# SUMMARIES OF APPROPRIATIONS

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



# SUMMARIES OF APPROPRIATIONS

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

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

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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



# SUMMARIES OF APPROPRIATIONS

## GRANTS-IN-AID

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

Year Ending June 30, 2003						Year Ending June 30, 2005		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
1,909	309	-375	1,843	1,731	Department of Agriculture	436	1,255	1,255
33,791	9,345	1,361	44,497	41,656	Department of Community Affairs	36,865	32,865	32,865
82,630	10,498	-3,800	89,328	84,305	Department of Corrections	87,113	97,046	97,046
20,015	—	-9,000	11,015	9,377	Department of Education	9,443	11,269	11,269
5,500	1,544	2,046	9,090	8,040	Department of Environmental Protection	9,250	6,250	6,250
606,845	35,752	286,471	929,068	824,694	Department of Health and Senior Services	702,891	1,144,378	1,144,378
3,204,833	198,576	-42,901	3,360,508	3,340,536	Department of Human Services	3,228,646	3,408,209	3,408,209
32,779	—	675	33,454	33,406	Department of Labor and Workforce Development			
						31,279	31,561	31,561
19,822	—	—	19,822	19,522	Department of Law and Public Safety	18,822	18,984	18,984
1,044	114	—	1,158	1,026	Department of Military and Veterans' Affairs			
						1,044	1,044	1,044
1,141,588	2,633	-21,332	1,122,889	1,079,202	Department of State	1,090,689	1,306,842	1,124,996
269,027	2,002	-3,282	267,747	264,704	Department of Transportation	193,827	278,700	278,700
185,837	21,275	-17,937	189,175	181,929	Department of the Treasury	211,022	233,795	228,011
542,692	2	2,210	544,904	542,600	Interdepartmental Accounts	619,812	731,231	731,231
<b>6,148,312</b>	<b>282,050</b>	<b>194,136</b>	<b>6,624,498</b>	<b>6,432,728</b>	<b>Total Appropriation</b>	<b>6,241,139</b>	<b>7,303,429</b>	<b>7,115,799</b>

# SUMMARIES OF APPROPRIATIONS

## STATE AID

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

Year Ending June 30, 2003						Year Ending June 30, 2005		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
8,642	354	-2	8,994	8,994	Department of Agriculture	8,642	9,968	9,968
18,042	67,279	—	85,321	24,780	Department of Community Affairs	54,996	53,196	53,196
2,659,086	68,940	-243,918	2,484,108	2,473,259	Department of Education	3,015,823	2,778,027	2,778,027
4,406	15,531	39	19,976	19,974	Department of Environmental Protection	4,258	9,011	9,011
50,969	—	-88	50,881	50,024	Department of Health and Senior Services	58,454	68,954	68,954
283,352	6,923	22,876	313,151	300,990	Department of Human Services	300,722	338,210	338,210
14,872	—	2,031	16,903	8,291	Department of Law and Public Safety	15,109	4,820	4,820
16,931	—	-1,218	15,713	15,589	Department of State	16,827	24,742	16,827
233,366	—	—	233,366	224,236	Department of the Treasury	265,832	305,855	282,355
<b>3,289,666</b>	<b>159,027</b>	<b>-220,280</b>	<b>3,228,413</b>	<b>3,126,137</b>	<b>Total Appropriation</b>	<b>3,740,663</b>	<b>3,592,783</b>	<b>3,561,368</b>

# SUMMARIES OF APPROPRIATIONS

## CAPITAL CONSTRUCTION

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

Year Ending June 30, 2003						Year Ending June 30, 2005		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
—	406	—	406	309	Legislature	—	—	—
—	12	5,129	5,141	—	Department of Agriculture	—	—	—
2,900	25,073	-1,116	26,857	13,557	Department of Corrections	—	—	—
400	1,866	-1	2,265	811	Department of Education	—	—	—
80,745	75,580	-2,626	153,699	91,239	Department of Environmental Protection	126,464	128,273	128,273
650	797	—	1,447	1,144	Department of Health and Senior Services	620	—	—
7,500	26,037	—	33,537	9,107	Department of Human Services	5,600	10,400	10,400
7,828	21,843	—	29,671	10,009	Department of Law and Public Safety	4,346	—	—
1,779	16,146	—	17,925	16,240	Department of Military and Veterans' Affairs	165	2,127	2,127
—	6	—	6	4	Department of Personnel	—	—	—
—	6,156	—	6,156	1,422	Department of State	—	—	—
745,000	4,765	—	749,765	749,230	Department of Transportation	805,000	805,000	805,000
5,500	7,711	2,746	15,957	10,014	Department of the Treasury	—	—	—
—	2	—	2	—	Miscellaneous Commissions	—	—	—
169,649	58,577	-26,319	201,907	172,272	Interdepartmental Accounts	194,233	185,549	185,549
<b>1,021,951</b>	<b>244,977</b>	<b>-22,187</b>	<b>1,244,741</b>	<b>1,075,358</b>	<b>Total Appropriation</b>	<b>1,136,428</b>	<b>1,131,349</b>	<b>1,131,349</b>

# SUMMARIES OF APPROPRIATIONS

## DEBT SERVICE SUMMARY

(thousands of dollars)

Year Ending June 30, 2003						Year Ending June 30, 2005		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
178,700	—	-9,155	169,545	169,539	Interest on Bonds	165,411	177,360	177,360
291,975	—	-31,129	260,846	260,845	Bond Redemption	277,070	267,145	267,145
<b>470,675</b>	<b>—</b>	<b>-40,284</b>	<b>430,391</b>	<b>430,384</b>	<b>Total Appropriation</b>	<b>442,481</b>	<b>444,505</b>	<b>444,505</b>
1,090	—	—	1,090	1,090	State Transportation Bonds (P.L. 1968, c. 126)	1,030	—	—
1,121	—	—	1,121	1,121	Water Conservation Bonds (P.L. 1969, c. 127)	976	873	873
2,927	—	—	2,927	2,927	State Recreation and Conservation Land Acquisition and Development Bonds (P.L. 1974, c. 102)	2,681	826	826
2,556	—	—	2,556	2,556	Clean Waters Bonds (P.L. 1976, c. 92)	2,431	211	211
2,194	—	—	2,194	2,194	Institutions Construction Bonds (P.L. 1976, c. 93)	2,075	668	668
688	—	—	688	688	State Mortgage Assistance Bonds (P.L. 1976, c. 94)	650	223	223
597	—	—	597	596	Beaches and Harbors Bonds (P.L. 1977, c. 208)	563	334	334
7,149	—	—	7,149	7,149	Medical Education Facilities Bonds (P.L. 1977, c. 235)	—	—	—
500	—	1	501	501	Emergency Flood Control Bonds (P.L. 1978, c. 78)	476	—	—
1,379	—	—	1,379	1,379	Institutional Construction Bonds (P.L. 1978, c. 79)	1,307	334	334
1,339	—	—	1,339	1,339	State Land Acquisition and Development Bonds (P.L. 1978, c. 118)	1,410	848	848
5,010	—	—	5,010	5,010	Transportation Rehabilitation and Improvement Bonds (P.L. 1979, c. 165)	4,530	4,125	4,125
384	—	—	384	384	Energy Conservation Bonds (P.L. 1980, c. 68)	227	250	250
321	—	—	321	321	Natural Resources Bonds (P.L. 1980, c. 70)	1,759	2,176	2,176
309	—	—	309	309	Public Purpose Buildings Construction Bonds (P.L. 1980, c. 119)	—	—	—
1,931	—	-1	1,930	1,930	Water Supply Bonds (P.L. 1981, c. 261)	—	—	—
761	—	—	761	761	Hazardous Discharge Bonds (P.L. 1981, c. 275)	766	705	705
2,382	—	—	2,382	2,382	Community Development Bonds (P.L. 1981, c. 486)	1,078	1,012	1,012
1,045	—	—	1,045	1,045	1983 New Jersey Green Acres Bonds (P.L. 1983, c. 354)	115	106	106
477	—	—	477	477	Shore Protection Bonds (P.L. 1983, c. 356)	65	53	53
154	—	—	154	154	Jobs, Science and Technology Bonds (P.L. 1984, c. 99)	—	—	—
856	—	—	856	856	Human Services Facilities Construction Bonds (P.L. 1984, c. 157)	290	237	237

# SUMMARIES OF APPROPRIATIONS

## DEBT SERVICE SUMMARY (thousands of dollars)

Year Ending June 30, 2003						Year Ending June 30, 2005		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
330,520	—	-37,944	292,576	292,572	Refunding Bonds (P.L. 1985, c. 74 as amended by P.L. 1992, c. 182)	325,611	311,043	311,043
206	—	—	206	206	Pinelands Infrastructure Trust Bonds (P.L. 1985, c. 302)	—	—	—
154	—	1	155	154	Wastewater Treatment Bonds (P.L. 1985, c. 329)	—	—	—
4,581	—	—	4,581	4,581	Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c. 330)	2,677	2,671	2,671
8,525	—	1	8,526	8,526	Hazardous Discharge Bonds (P.L. 1986, c. 113)	8,524	7,969	7,969
1,184	—	—	1,184	1,184	Correctional Facilities Construction Bonds (P.L. 1987, c. 178)	—	—	—
1,800	—	—	1,800	1,800	1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L. 1987, c. 265)	723	735	735
11,601	—	—	11,601	11,601	Jobs, Education and Competitiveness Bonds (P.L. 1988, c. 78)	7,064	6,214	6,214
5,016	—	—	5,016	5,016	1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation Bonds (P.L. 1989, c. 180)	4,389	4,128	4,128
515	—	—	515	515	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	797	876	876
12,120	—	—	12,120	12,119	1989 New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	9,233	8,316	8,316
5,329	—	—	5,329	5,329	Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L. 1989, c. 184)	1,877	1,992	1,992
16,885	—	—	16,885	16,885	Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 (P.L. 1992, c. 88)	14,778	16,360	16,360
6,893	—	—	6,893	6,893	Developmental Disabilities Waiting List Reduction and HS Fac. Const. Bonds (P.L. 1994, c. 108)	8,907	8,781	8,781
14,588	—	—	14,588	14,588	Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 (P.L. 1995, c. 204)	16,034	16,100	16,100
3,884	—	—	3,884	3,884	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996 c. 70)	4,045	4,081	4,081
2,342	—	-2,342	—	—	Payments on Future Bond Sales	6,250	16,069	16,069
9,362	—	—	9,362	9,362	Statewide Transportation and Local Bridge Bond Act of 1999 (P.L. 1999, c.181)	22,496	26,378	26,378
—	—	—	—	—	Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L. 1997, c.125)	3,813	3,811	3,811
—	—	—	—	—	Savings from Refunding and Other Initiatives	-17,166	-4,000	-4,000

## SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2003						Year Ending June 30, 2005		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
470,675	—	-40,284	430,391	430,384	<i>Total Appropriation</i>	442,481	444,505	444,505

**DEDICATED FUNDS**

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

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

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



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