

*Fiscal 2009*

# *Citizens' Guide to the Budget*



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**September 2008**

This document is available via the Internet at <http://www.state.nj.us/treasury/omb>



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JON S. CORZINE  
GOVERNOR

Citizens of the State of New Jersey:

I am pleased to provide the FY 2009 Citizens' Guide to the Budget, a comprehensive summary of the final funding and policy decisions reflected in the State Budget for this fiscal year. This is the second issuance of this document since publication began in fiscal 2008. The Citizens' Guide represents the capstone of a series of transparency and presentation-focused budget reforms that the leadership of the Legislature and I recommended in February 2007. I hope that this document provides you with a better understanding of how and where tax dollars are raised, prioritized and distributed through the State Budget.

Respectfully,

A handwritten signature in green ink that reads "Jon S. Corzine".

JON S. CORZINE  
Governor



**State of New Jersey**  
OFFICE OF THE STATE TREASURER  
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JON S. CORZINE  
*Governor*

R. DAVID ROUSSEAU  
*State Treasurer*

Message from the State Treasurer:

The journey of a State Budget, from proposal to enactment, is a dynamic and democratic process that engages all branches of State government in identifying New Jersey's spending priorities and determining the proper funding of those priorities. The FY 2009 *Citizens' Guide to the Budget* is both a road map and a presentation of this process. This cumulative document represents the hard work of the staff of the Office of Management and Budget in cooperation with the Governor's Office, the Legislature and State agencies. On behalf of the Department of the Treasury, I would like to thank all those instrumental in the compilation of the *Citizens' Guide* for their part in providing readers with a clear and informative view of the State Budget.

Sincerely,

A handwritten signature in green ink, appearing to read "R. David Rousseau".

R. David Rousseau  
State Treasurer

# *Fiscal 2009 Citizens' Guide to the Budget*

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## **The Fiscal 2009 Citizens' Guide to the Budget: A Summary of the Appropriations Act**

Budgets are roadmaps laying out how the State manages its revenues and funds services for its citizens. However, a roadmap is less useful without a legend, which allows a user to understand the wealth of information unfolded in front of him or her.

This document, the *Fiscal 2009 Citizens' Guide to the Budget*, is the last in a series of publications detailing the planning process for New Jersey's Fiscal 2008-09 State Budget. It is designed to help citizens fully understand New Jersey's newly-enacted budget.

In 2007, Governor Jon Corzine and the New Jersey State Legislature agreed on a series of reforms to the budget process. One component was a requirement to release a summary document providing details of the final Appropriations Act agreement, which implements the State's enacted Budget for the upcoming fiscal year. The intent of this reform was to make the budget process more transparent by identifying what the enacted Budget includes and who sponsored changes to the Budget since the Governor first proposed it. The *Citizens' Guide to the Budget* fulfills that requirement.

Planning for this Budget began nearly a year ago, when the Governor's staff and State agencies began preparing the Governor's proposed Budget:

- In February 2008, Governor Corzine released his proposed *Budget* and the *Budget-in-Brief*, a document outlining the State's fiscal condition and summarizing the Governor's policy initiatives and budget proposals.
- The Legislature then crafted Assembly Bill 2800, the Appropriations Act, modifying the Governor's Budget. The Appropriations Act was delivered to the Governor on June 23, a week before the statutory deadline for a balanced budget. The Governor signed the Appropriations Act on June 30, in time for July 1, the beginning of the 2008-2009 fiscal year.
- The *Appropriations Handbook*, released approximately four weeks later, provides detailed information about the enacted Budget.
- This document, the *Citizens' Guide to the Budget*, provides the citizens of New Jersey with a summary of the changes in the enacted Budget agreed to by the Legislature and the Governor, provides information about the Governor's veto provisions, and details the State's certified revenue levels. It also includes charts and graphs that help explain the State's fiscal condition, along with specific budgetary information about New Jersey's Fiscal 2008-2009 Budget.
- All these documents are available electronically, at <http://www.state.nj.us/treasury/omb/>.

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# GOVERNOR CORZINE'S SIGNING STATEMENT FOR THE FY 2009 APPROPRIATIONS ACT

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**June 30, 2008**

To the General Assembly:

Today, I am returning Assembly Bill No. 2800 with my signature, along with certain constitutionally permitted modifications set forth in the statement appended thereto.

In my February budget address, I called my budget, if approved, a turning point for the State. The \$32.87 billion budget I signed today makes a clear turn towards long-term fiscal responsibility, rather than continuing the past practices of pushing tough budget choices off until the future.

The Fiscal Year (FY) 2009 budget makes an unprecedented cut of \$600 million from the budget I signed last year, the largest absolute reduction in State history. It relies on nearly \$3 billion of actions to reduce spending to offset the mandatory and inflationary growth in the budget in order to achieve the overall \$600 million reduction.

The budget significantly reduces the use of non-recurring revenue to support current spending, increases overall property tax relief, increases funds for education implementing the new school aid formula, and protects services and programs that provide public safety and protect the most vulnerable. This budget reduces the size and cost of government and allocates necessary reductions in a fair and equitable manner. There are no legislative additions or items commonly known as "Christmas trees." Appropriately, this budget does not include any new or increased taxes. Finally, as was the case last year, this budget was proposed, debated, and passed with transparency and well within the constitutional deadline.

In addition to the historic reforms set forth in the general appropriation act, other longterm reforms that formed part of the debate and serve to frame this budget for the purposes of sustaining fiscal discipline include: (1) placing a constitutional amendment on the ballot to require voter approval of State debt; (2) establishing a Long Term Obligation and Capital Expenditure Fund to pay down State debt and meet other long-term obligations; and (3)

my signing today of Executive Order No. 103, which will require that recurring revenue match recurring spending in future proposed budgets.

I commend Senate President Richard J. Codey and Assembly Speaker Joseph J. Roberts, Jr., for their cooperative efforts and for sending this fiscally responsible budget to me well within the constitutional deadline. I also would like to thank Senate Budget and Appropriations Chairwoman Barbara Buono and Assembly Budget Committee Chairman Louis D. Greenwald for their disciplined leadership during this process. I am grateful to all the legislators who voted for this budget and its confirmation of the commonsense principle that we should spend no more than we take in.

## **Restoring Fiscal Stability**

First and foremost, the FY 2009 budget represents a continuation of my administration's efforts to restore fiscal and tax stability to State finances and begin to make decisions based on long-term objectives, rather than simply "getting by" from year to year. This \$32.87 billion budget will spend \$600 million less than the budget that was enacted last June. This represents the largest decrease of any State budget in New Jersey history and is three times larger than any past year-to-year reduction.

In February, when I delivered an austere budget message for Fiscal Year 2009, I stated that we were facing a structural gap of approximately \$3.2 billion between our expected revenues of \$32.5 billion and our anticipated spending of \$35.7 billion, based on mandatory spending and inflationary increases. The \$3.2 billion structural gap originally was closed with \$2.7 billion in actions that impact spending and using \$500 million of the excess surplus projected.

In May, the State Treasurer updated the revenue and spending projections and announced an additional gap of approximately \$200 million between spending and revenues. This increased structural gap again was closed primarily with spending reductions and adjustments to areas of the budget that were projected to increase. The most important of those new reductions came from our paydown of \$650 million of debt, allowing a decrease of spending on debt service by \$135 million.

This budget dramatically reduces the gap between recurring revenues and recurring expenditures by reducing

one-time revenues from \$1.8 billion to less than \$600 million. The budget relies on only \$500 million of FY 2008 excess surplus to support FY 2009 spending and continues the glide path to bring the State closer to a budget that matches recurring revenues with recurring spending. During the past six fiscal years, State budgets had relied on an average of over \$2.3 billion in non-recurring revenues to support spending. As Executive Order No. 103, which I am signing today, confirms, I fully intend to eliminate the use of any one-time revenue to support current spending in future budget proposals.

As noted above, this budget benefits from a \$650 million reduction of the State's debt by applying FY 2008 excess surplus to debt reduction, saving at least \$135 million per year for the next five years. This budget also benefits from appropriations of about \$300 million of additional FY 2008 surplus to repay previous Unemployment Insurance Fund diversions and fund one-time capital projects. So nearly \$1 billion of FY 2008 surplus was appropriately used, not to support new spending, but to achieve savings and avoid tax increases. It is my goal to continue to use a portion, if not all, of excess surplus built up each year through unanticipated revenue, efficiencies, and careful management of spending for additional debt reduction.

In contrast with past decisions to avoid pension payments altogether, this budget honors the commitment to make annual payments of at least \$1.1 billion to the State's pension systems. Over the past three years, the State has contributed more than \$3.3 billion to the various pension systems; this sum exceeds the cumulative amount contributed over the previous 16 years. In addition to making actual cash contributions to the pension systems, the contract negotiated last year with public worker unions will save the systems over \$3.5 billion between FY 2008 and FY 2022, as a result of increasing the retirement age from 55 to 60, capping pension income at the social security level, increasing the employee contribution by 10% from 5% to 5.5%, and removing elected and appointed officials from the defined benefit program. The changes made last year will save an additional \$2.9 billion in health benefit costs over the same period. The continued annual appropriations and the savings generated from the contract, plus the reforms recently passed by the Legislature, will continue the process of securing the pension systems and reducing the liability on future taxpayers.

### **Reducing the Size and Cost of Government**

This budget reduces the cost of State government by nearly \$300 million and the number of State Executive Branch employees by between 2,000 and 3,000 through a combination of an Early Retirement Incentive Program (ERI) and the continuation of an aggressive attrition

program that already has resulted in the reduction of nearly 2,000 Executive Branch employees.

In this regard, the budget provides for a reduction in the operating funds for every Executive Branch department. Departmental budgets have been directly reduced by approximately \$184 million, or by an average of about 5% each. In addition, departments will realize savings from the ERI and attrition program of approximately \$90 million and an additional \$25 million through procurement savings. In total, these actions amount to nearly \$300 million and represent an average reduction of nearly 8% per department.

The ERI legislation that I signed last week represents a major component of the downsizing and restructuring of State government. The reduction of approximately 1,700 Executive Branch employees to be achieved through this initiative will require every department and agency to re-evaluate its priorities and adjust to the reduced workforce. This process of reevaluation and prioritization should lead to additional savings over time.

This budget also eliminates two cabinet level agencies -- the Department of Personnel and the Commerce Commission -- and consolidates the essential functions of those agencies into other Executive Branch departments or agencies. As a result, savings will accrue from the elimination of administrative functions, including two cabinet level offices, and efficiencies gained through consolidation.

The budget also provides for a reduction of \$3.6 million for the Legislature and will require the Judiciary to implement \$27 million in efficiencies to offset a portion of the cost of its negotiated salary increases.

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

Despite the pressing need to reduce overall spending to ensure fiscal stability, this budget provides for nearly \$16.7 billion in total property tax relief. This represents an increase of \$61 million from the FY 2008 levels, and is nearly \$3.4 billion, or 25% more, than the \$13.3 billion provided in FY 2006. The property tax relief component contained in the budget -- \$16.7 billion-- continues to represent more than 50% of total spending.

The core components of the property tax relief include:

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

The budget allocates over \$2.5 billion for direct property tax relief to homeowners and tenants. This funding ensures that over 1.5 million homeowners will continue to receive average rebates of approximately \$1,000. Since FY 2006, direct property tax relief from the State has nearly doubled from \$1.3 billion to slightly over \$2.5 billion.

This budget provides nearly \$1.6 billion to continue rebates for 90% of homeowners while 1.2 million, or 70%, will continue to receive the same rebate amount they received last year. The average \$1,000 rebate for non-senior homeowners is nearly three times the amount received in FY 2006, and the \$1.6 billion funding level is over \$600 million greater than the amount provided that year.

With regard to senior citizens, the budget sets aside \$169 million in funding for the Senior Tax Freeze program, an increase of \$16 million, or more than 10%. The program provides nearly 160,000 senior homeowners with checks averaging \$1,069, which is \$125 more than the FY 2008 average.

The \$11.5 billion provided in this budget to support pre-school through grade 12 education is \$570 million above the FY 2008 appropriation and represents over one-third of the total budget. Of this increase, approximately \$515 million is in the form of additional direct aid to school districts under the new school funding formula, which increases relief to all school districts, including boosts of 10% to 20% for over 40% of the districts. Since FY 2006, total aid to schools has increased from \$9.36 billion to \$11.5 billion, an increase of over \$2.1 billion, or nearly 23%.

Because of fiscal constraints and limited resources, the budget provides for a reduction in the level of aid to municipalities as compared with last year. The budget, however, continues to provide \$1.834 billion in aid to municipalities, a reduction of \$162 million, or 8% from the FY 2008 level. The \$129 million reduction in formula aid represents slightly more than 1% of the nearly \$12 billion that municipalities are expected to spend in the upcoming year. As noted, the State has reduced its operating cost by nearly 8% and local officials are expected to take actions to reduce spending through efficiencies, economies, and smaller government rather than simply passing the costs on to property taxpayers.

Overall, the \$570 million increase in school aid far exceeds the \$160 million reduction in municipal aid. Allocating funding in this manner directly addresses the largest portion of an individual's property tax bill, since 55% of local property taxes go to support schools, and in some suburban municipalities that percentage exceeds 70%.

## **Despite Reducing Spending, Budget Protects Vital Programs**

In addition to property tax relief and school funding, this budget continues to provide support to vital programs that improve public safety, protect vulnerable citizens, and otherwise meet the needs of the citizens of this State.

Despite the need for a slight reduction of less than 3% in overall support for higher education, this budget still provides over \$2.1 billion for operating aid and student assistance. Direct student assistance increases by over 6% to nearly \$330 million and provides 50,000 students with tuition assistance grants and over 19,000 students with Educational Opportunity Grants. In addition, nearly 4,800 students will participate in the NJSTARS program.

Aid to hospitals totals nearly \$1 billion in this budget, a reduction of only \$75 million, representing approximately 0.4% of total hospital revenues. Charity Care reimbursement will be focused on those hospitals that provide the highest percentage of care and a new Health Care Stabilization Fund program will be established to provide assistance to those hospitals in the most distress. Hospital funding is actually \$31 million greater in this budget than the FY 2006 level.

The budget will spend \$256.2 million to provide prescription drug coverage to 189,000 senior and disabled citizens under the PAAD and Senior Gold programs.

The budget will provide \$3.5 billion in Medicaid funding to provide health care for approximately one million residents. We will be diligent in rooting out fraud within the program with the appointment and development of the Office of the Medicaid Inspector General.

An additional \$8 million is provided to fund an expansion of the NJ FamilyCare program to enroll parents with incomes between 134% and 200% of the federal poverty level [FPL] (\$28,197 - \$42,400 per year for a family of four). The program currently covers children up to 350% FPL (\$74,200 for a family of four) and parents up to 133% FPL (\$28,196 for a family of four). The expansion of NJ FamilyCare, which will begin on September 1, 2008, is expected to result in coverage for approximately 18,000 additional parents and 11,000 additional children.

The budget includes funding in the amount of \$3.5 million for a new State Police recruit training class. The class will graduate approximately 100 new troopers providing for an overall trooper level of approximately 3,100. The FY 2008 budget increased the troop level to over 3,000 for the first time ever, and the FY 2009 budget recognizes the importance of maintaining the commitment to this high

priority. This budget also provides \$2 million for the purchase of 250 new state trooper vehicles.

The State subsidy to NJ Transit is increased by \$60 million, from \$298.2 million provided in FY 2008 to a total of \$358.2 million in FY 2009. This 20% increase, which is the largest since FY 2005, will avoid any fare increase during the coming fiscal year. Specifically, these funds will help offset rising costs of diesel fuel for bus and rail operations, the impact on service from aggressive ridership growth, and basic core inflation.

The budget provides \$24 million to allow the Division of Developmental Disabilities (DDD) to transition 125 clients from the seven state developmental centers into community residential placements and day programs. This initiative is in line with the U.S. Supreme Court's *Olmstead* decision which held that, as appropriate, persons with developmental disabilities and/or mental illness have the right to live in community rather than institutional settings. An additional \$15.5 million is provided to annualize placement and day program costs for 100 developmental center clients transitioned in FY 2008. Finally, language in the Appropriations Act makes up to \$12.5 million available to DDD to provide community residential placements and home-based services to persons on the Community Services Waiting List.

In addition, the budget provides \$15 million to allow the Division of Mental Health Services to provide housing and support services for approximately 200 persons currently residing at the five state mental health hospitals and 100 clients currently living in the community. This funding would also establish two new pre-screening sites to supplement the existing acute care hospital screening centers and potentially divert admissions to State and county psychiatric hospitals. Finally, this funding provides for new short term care beds in community-based settings, which also may divert admissions to State and county psychiatric hospitals. These initiatives are in line with the U.S. Supreme Court's *Olmstead* decision. An additional \$5 million is provided to annualize the costs of similar services begun in FY 2008.

The budget provides \$40.6 million to annualize a 3% cost of providing care increase given to third party agencies contracting with the Departments of Human Services, Children and Families, Health and Senior Services, and Labor and Workforce Development, as well as the Juvenile Justice Commission.

The budget increases the percentage of federal benefit provided by the Earned Income Tax Credit (EITC) from 20% to 22.5%. The combined benefits of expanding eligibility to match the federal criteria in FY 2008 and the FY 2009 percentage increase are expected to provide more

than \$200 million of tax relief to approximately 250,000 new beneficiaries.

The State Rental Assistance Program will provide \$52.5 million in FY 2009. Approximately \$19 million of this will continue support to nearly 2,100 families currently receiving monthly rental subsidies. Another \$15 million will be used to expand the program to provide vouchers for 1,500 additional families. These vouchers will be targeted primarily for seniors and for compliance with *Olmstead* mandates. The remainder of program funding will be targeted to builders to construct desperately needed affordable rental units. The funds will provide a guarantee of 10 years of rental payments to builders who construct these rental units, thereby affording program benefits to additional families when construction is completed.

### **Changes Since February Address Policy Concerns, Not Special Interests**

Through the cooperative efforts of the Legislative leaders, the changes that we have agreed to in this final budget represent less than 1% of the overall budget recommended in February. The changes are limited to policy areas such as health care, municipal aid, tuition assistance, and other social service programs. In addition, one of the largest changes was the reduction in the savings from the Early Retirement Program due to the change in eligibility and the delay in implementation. All of these changes were funded through additional budget savings, reduction of debt service, and the extension of the Transitional Energy Facilities Assessment. These changes do not include any legislative grants, member spending, or other similar line item appropriations to support specific organizations.

The largest change in the final budget was the additional \$68 million in various programs that support hospitals thus reducing the original proposed reduction of \$143 million by more than 50%. This budget provides \$970 million in State and federal aid to hospitals. The original proposal -- that the majority of the Charity Care be distributed to hospitals that provide the most charity care -- has remained and the new Health Care Stabilization Fund has been increased from \$35 million to \$44 million. This new fund will give the State the ability to deal with financial issues throughout the year with the hospitals that are in most distress.

The changes also include an increase of \$35 million in formula aid to municipalities focusing primarily on the municipalities with populations below 10,000. In addition, the \$20 million in expected payments for municipalities that currently receive State Police coverage at no charge was reduced to \$12 million and the impact on each municipality was limited to no more than \$100 of the average homeowner tax bill.

The most significant policy change in the final budget is the expansion of the FamilyCare program to include parents with incomes up to 200% of the federal poverty level. Other important changes include:

- Delaying the implementation of the income limits on the STARS program and changes in the TAG program for private college students until a study of the programs can be accomplished;
- Funding to provide for a State Trooper training class;
- Shifting resources within the Department of Environmental Protection to allow State parks to remain open;
- Increased funding for the legal services programs that assist low income families;
- Partial inflation for nursing homes that were previously not scheduled for an increase;
- Increased funding for arts, history and tourism grants; and
- Recognition of increased costs of supporting charter schools.

Clearly, each of the items above is based on policy decisions rather than special interest line items.

\* \* \*

In sum, the budget that I signed today marks a turning point for the State's finances. This budget:

- Cuts spending by \$600 million from the budget signed last year;
- Reduces the size and cost of government;
- Significantly reduces the use of one-time revenues;
- Relies on nearly \$3 billion of spending actions to offset mandatory and inflationary growth;
- Benefits from the unprecedented strides toward long-term structural soundness through the use of nearly \$1 billion of excess FY 2008 revenues to reduce debt, repay previous diversions, and fund one-time capital rather than supporting ongoing programs;
- Protects core responsibilities of government – educating our children; providing public safety; and caring for the most vulnerable;

- Increases overall property tax relief; and
- Does not include any new or increased taxes.

Although we all should be proud of this budget and the new direction we are taking regarding the State's finances, this budget is only another step towards long-term fiscal stability. I appreciate that this new direction comes with many new spending cuts and limited growth. As we move forward in the upcoming fiscal year, particularly during a time of economic weakness and uncertainty, we must remain vigilant in our attempts to control the cost of government at all levels.

This budget, along with other reforms such as the creation of a Long Term Obligation and Capital Expenditure Fund that will limit our use of excess surplus, the proposed constitutional amendment to require public approval of debt, and Executive Order No. 103, which will require that recurring revenues match recurring expenditures in future budget proposals, ultimately will make this State financially sound and reduce the burden shouldered by individual taxpayers. Over the long term, we will have greater fiscal stability and certainty for our shared priorities by taking the direction we have chosen.

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# CHAPTER 1: A SNAPSHOT OF THE FISCAL 2009 BUDGET

This chapter presents a snapshot of the enacted Fiscal 2009 Budget. It highlights some of the fiscal difficulties that the State is facing and also points to the actions that this Administration and the Legislature adopted to help restore long-term balance. The chapter concludes by focusing on some of the programs and services that this Budget, despite considerable fiscal pressures, delivers to the citizens of New Jersey, including continued property tax relief for homeowners and tenants and increased funding for local public schools.

## *Increasing Costs are Adding to the State's Fiscal Difficulties*

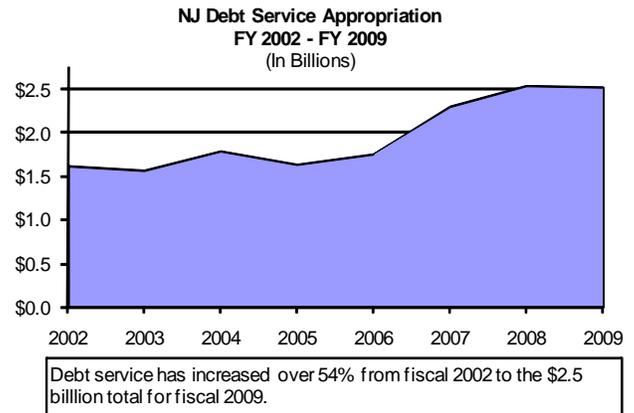
### **Debt Service**

The Fiscal 2009 *Budget-in-Brief* listed a number of factors that are contributing to the increasing costs of government services. Most prominent is the State's "credit card culture," the large amount of funding that is required every year to pay the State's debt burden. This Budget and related actions by the Administration and Legislature establish several key mechanisms to reduce the State's current level of debt and control the issuance of new debt in the future.

Specifically, the newly-established Long Term Obligation and Capital Expenditure Fund will help the State pay off some of its debt earlier than scheduled, thus reducing the amount required each year for debt service. The Administration and the Legislature appropriated \$650 million of fiscal 2008 surplus to this new Fund. Doing so will reduce debt service costs by approximately \$135 million per year over the next five years. Moreover, this Administration is committed to ensuring that no new debt will be issued in the future without voter approval. The aim is to wean the State away from reliance on debt, and to ensure that the State does not spend more than its recurring revenues.

The following chart, "New Jersey Debt Service Appropriation, FY 2002- FY 2009," illustrates how debt service has accounted for an increasingly large amount of funding over the past seven years. It also

shows that steps taken this year will help reduce the burden in future years.



### **Increasing Costs of Employee Benefits**

A second major cost driver is the increasing cost of State employee benefits, including pensions and health care. Due to steady growth in these long-term obligations, fewer resources are available to pay for other needed services.

Unlike previous budgets, which often did not provide any State appropriations for these needs, this Administration has pledged to increase funding for employee pension systems. During its first three years, this Administration funded a minimum of \$1.1 billion per year towards pension costs. This \$3.3 billion exceeds the State's total cash contributions to the pension system from the preceding 16 years combined.

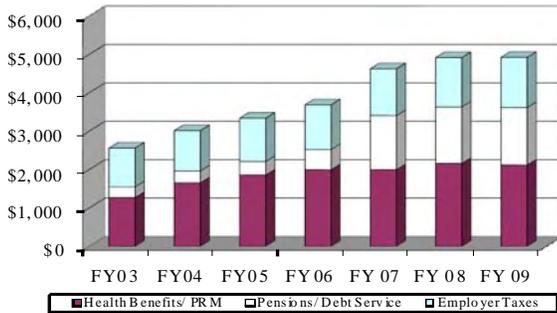
Furthermore, the Administration also reformed employee benefits to reduce costs for the State's taxpayers. Last year's contract agreement with the State's public workers unions will save over \$3.5 billion between Fiscal 2008 and Fiscal 2022 by increasing the retirement age from 55 to 60; capping pension income for new State, municipal, and educational employees at the Social Security maximum level; increasing the employee contribution by 10%, from 5% to 5.5%; and removing elected and appointed officials from the defined benefit program.

Other changes made last year will save an additional \$2.82 billion in health benefit costs over the same period.

The following chart, “Employee Benefits Costs,” illustrates the explosive growth in costs over the previous six years, along with the reduction in costs in the Fiscal 2009 Budget.

**Employee Benefits Costs**

(In Millions)



**Other Steps to Restore the State’s Fiscal Footing**

This Administration has pledged to spend no more than the State’s recurring revenue total. Governor Corzine signed Executive Order 103 to promote this principle. Beginning with the Fiscal 2010 Budget, the Administration will not recommend any appropriations higher than the certified amount of recurring revenue. Thus, the State will no longer be able to use non-recurring, one-time revenue to fund ongoing expenses. Even though the first official recurring revenue certification will not be issued until next year’s Budget, an estimate of recurring revenue is included in this year’s *Citizens’ Guide*, in Chapter 4.

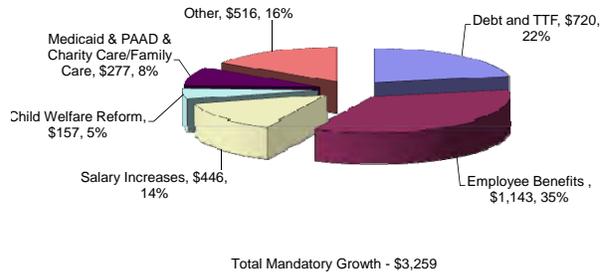
Moreover, even before the Governor issued this Executive Order, he has insisted that the State begin living within its means. As illustrated in the following chart, “Components of Growth-- Corzine Administration,” all of the growth in the State’s budgets during this Administration has been used to pay for mandatory costs, State Aid, and property tax relief. Spending on any “other growth” has fallen by over \$400 million since the beginning of this Administration.

**Components of Growth  
Corzine Administration  
(FY 2006 to FY 2009)**  
(In Millions)



The second chart, titled “Components of Mandatory Growth—Corzine Administration,” illustrates that over 70% of mandatory growth is due to employee benefits, employee salaries, and debt costs.

**Components of Mandatory Growth - Corzine Administration  
(FY 2006 to FY 2009)**  
(in millions)



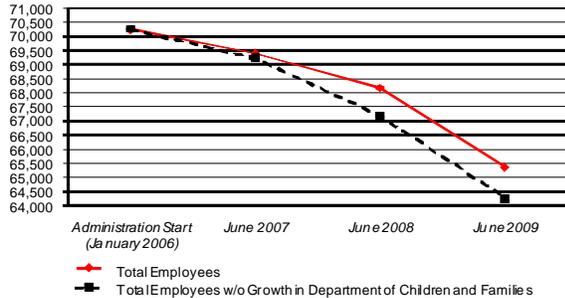
Furthermore, in this year’s Budget every Executive Branch department has seen its budget reduced, and the Department of Personnel and the New Jersey Commerce Commission have been consolidated to help reduce operating costs. Moreover, the number of State employees continues to fall in this Budget. The following chart, “Executive Branch Staff Reduction Goals Through FY2009,” shows the Corzine Administration’s goal of an expected decline of 5,000 State employees since the beginning of the administration. If the mandated hires required to strengthen the new Department of

Children and Families are discounted, the total would fall by more than 6,000. Such a reduction would represent over 8% of the entire State’s workforce.

Nevertheless, this Budget continues the goal of property tax relief, particularly focused on increased school aid.

**Executive Branch Staff Reduction Goals Through Fiscal 2009**

(# of Employees)



Executive Branch payroll is expected to decline by approximately 5,000 employees. Excluding mandated growth in the Department of Children and Families, the reduction would be over 6,000 - a reduction of 8.2% since the beginning of the Corzine Administration.

**Property Tax Relief**

The homeowners and tenants of this State know full well how burdensome their property tax payments are, and this Budget continues this Administration’s commitment to meaningful property tax relief. Total property tax relief in this Budget is over \$16.7 billion, slightly more than last year’s budget. This amount represents over 50% of the entire State Budget.

Of this amount, \$2.5 billion represents direct property tax relief to taxpayers. Despite fiscal difficulties, this Budget ensures that 90% of those who received rebates last year will continue to receive them this year, and 70% will receive the same amount. The following chart, “Property Tax Relief Benefit Levels,” illustrates the average benefit that taxpayers will receive, whether they are homeowners or tenants:

**What This Budget Represents**

This Budget clearly inflicts a significant degree of pain as it takes steps to recover fiscal balance.

**Property Tax Relief Benefit Levels**

Homeowner Income	Projected Recipients	Percent of Property Taxes	Average Benefit
\$0-100,000	1,228,000	20%	\$1,113
\$100,001-150,000	321,000	10%	\$665

Tenant Income (Non-Seniors)	Projected Recipients	Maximum Benefit
\$0-100,000	816,500	\$80

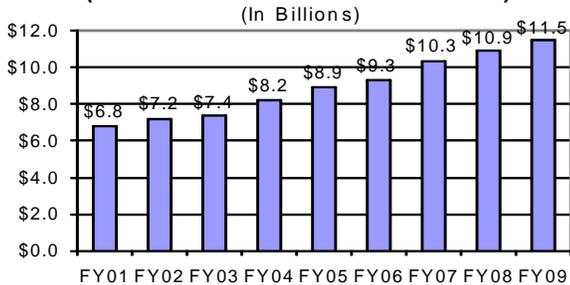
Tenant Income (Seniors)	Projected Recipients	Maximum Benefit
\$0-100,000	100,000	\$860

## Increased Funding for the New School Funding Formula

Over one-third of this Budget supports the costs of the State's public school system from preschool to high school. This year's Budget allocates \$11.5 billion to support public school education, an increase of over \$570 million from last year.

The increased funding goes, in part, to support the implementation of the new school funding formula which increases aid for all school districts. Over 40% of the districts will see increases ranging from 10% to 20%. The following chart, "New Jersey State Aid for Education," illustrates how much State funding for public school education has increased over the past nine years.

**NJ State Aid for Education FY 2001- FY 2009  
(Includes Pension Contributions)**



State Aid for Education has increased 69% since fiscal 2001.

## What Does This Budget Mean for the People of New Jersey?

When reading the State's Budget, it is easy to lose sight of what all the columns of numbers represent. The following chart, "Where Does the Money Go?," returns the focus to where it belongs—how this Budget will help provide needed services for our children, our parents, our neighbors, for each of us living in this great state.

# ***Where Does the Money Go?***

## ***The Programs and Services Behind the Fiscal 2009 Numbers***

### **People Served/ Items Purchased**

119,225,369  
29,436,218  
  
6,096,033  
604,771  
4,700,000  
3,933,000  
781,004  
312,535  
285,031  
  
238,323  
175,213  
  
96,748  
82,465  
36,164  
22,248  
15,120  
3,600

### **Helping Those in Need**

Subsidized School Lunches  
Subsidized School Breakfasts  
Subsidized Drugs for Seniors and Disabled:  
    PAAD Annual Prescriptions  
    Senior Gold Annual Prescriptions  
Hunger Initiative – Food Purchased (lbs)  
Home-Delivered Meals to the Aged  
Persons Receiving Health Care thru Medicaid  
Energy Assistance – Tenants and Homeowners Served  
Individuals Receiving Mental Health Services (Community Programs)  
Children and Adults Receiving Health Care via FamilyCare  
Children Receiving Services from Division of Youth and Family Services (DYFS)  
Temporary Assistance to Needy Families – Recipients  
Cancer Institute of New Jersey – Patient Visits  
Developmentally Disabled Served (Community Programs)  
Adoption Subsidies/Foster Care: Average Daily Populations  
Students Served in After School Programs  
State Rental Assistance - Families Served



### **Protecting the Public Safety**

895,000,000  
905,000  
240,417  
220,000  
26,500  
15,220  
1,800  
1,330  
765

Agricultural Commodities Inspected and Graded (lbs)  
State Police Investigations (Criminal, Accident, and General)  
Fire, Housing, and Construction Code Inspections  
State Police – Instances of Aid to Motorists  
Inmates Supervised (Annual Average)  
Parolees Supervised  
Forest Fire Responses  
State-owned Bridge Safety Inspections  
Criminal Indictments Obtained – Criminal Justice



### **Preserving the Environment**

16,800,000  
27,000  
15,000  
12,000  
10,700

Parks Visitors Served  
Acres of Open Space Preserved:  
    Via Green Acres  
    Via Farmland Acres  
Air and Water Pollution Inspections





**People Served/  
Items Purchased**

**Protecting the Public's Health**

400,000	Uninsured Primary Care Visits to Federally Qualified Health Centers
280,000	Women, Infants, and Children – Healthcare Recipients
200,000	Children Screened for Lead Poisoning
132,000	Family Planning – Women in Reproductive Years Receiving Services
87,000	Number of Licensed Long Term Care Beds/Slots
80,000	AIDS Clients Tested and Counseled
60,000	Homes Tested for Radon
20,000	Breast Cancer and Cervical Cancer Screenings
5,020	Food and Milk Samples Examined
4,600	Potable Water Samples Examined
3,000	Helicopter Response Missions for Traumatic Injuries
860	Long Term Care Facilities Licensed

**Transportation Services**



456,900	Average Daily Mass Transit Ridership
13,508	Miles of Roads Maintained
9,000	Emergency and After-Hour Call Responses
3,102	Traffic Signals Maintained
900	Highway Lanes Under Construction
650	Lane Miles Resurfaced

**Serving Businesses**



479,484	State Professional Boards – Total Regulated Licenses
99,500	Real Estate Brokers and Salespersons Licensed
43,000	Insurance Licenses Issued
27,721	Participating Businesses – Urban Enterprise Zones
8,500	Banking Licenses Issued
259	Recipients – Business Employment Incentive Grants

**Educating Our Children**



1,769,243	Standardized Tests Administered
1,433,498	Total Enrollment (Subsidized by State Aid)
201,221	Special Ed Enrollment
138,245	Kindergarten/Preschool Enrollment
23,959	County Vocational Ed Enrollment
20,108	Charter School Enrollment
8,960	Adult Education Enrollment
835,232	Pupils Transported – Public/Non-Public (Subsidized by State Aid)



**People Served/  
Items Purchased**

**96,072  
63,895  
7,760  
4,800**

**Higher Education Student Assistance**

**New Jersey College Loans to State Students (NJCLASS)  
Tuition Assistance Grants (TAG, Full and Part Time)  
Coordinated Garden State Scholarship Program Grants  
(Total)  
NJ Student Tuition Assistance Reward Scholarship  
(NJSTARS I & II) Grants**



**2,465,500  
1,549,000  
916,500  
281,000  
157,400  
80,000**

**Direct Tax Relief**

**Annual Homestead Rebate (Checks)  
Homeowners  
Tenants  
Veterans Claiming a Property Tax Deduction  
Annual Senior Freeze (Checks)  
Seniors and Disabled Claiming a Property Tax Deduction**



**18,500  
7,171  
5,767  
1,690**

**Protecting the Consumer**

**Public Advocate:  
Mental Health Advocacy – Representation of Individuals at  
Civil Commitment Hearings – New Cases  
Elder Advocacy – On-Site Investigations Regarding  
Care/Abuse/Neglect or Patient Funds  
Elder Advocacy – Nursing Home/Boarding Home/Other  
Facility Visits  
Rate Counsel – Representation of Ratepayers on Cases  
Involving Utilities and Cable Television**

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# CHAPTER 2: ECONOMIC OVERVIEW AND REVENUE FORECAST

## *New Jersey Economic Overview*

New Jersey's economy continued to expand during calendar year 2007 but at a slower pace than 2006.

- Payroll employment grew at an average annual rate of 0.1%, after growing at rates of 0.8% in 2006 and 1% in 2005. Employment growth is projected to contract slightly by -0.2% in 2008 and to stay flat in 2009.
- The preliminary growth rate for personal income was 3.6% in the first quarter of 2008, below the revised growth rate of 5.1% for the fourth quarter of 2007. Personal income is expected to grow at a moderate pace below 4% in 2008 and 2009.
- The generally stable labor market conditions have kept the State's jobless rate below 5% through March 2008, but it inched up to 5.4% in May, reflecting the recent softening trend. However, the State's unemployment rate remains below the national unemployment rate.
- Vehicle registrations fell by over 4% in 2007, and registrations for the first three months in 2008 remain 9% below the same period a year ago. Recent auto incentives and rebate checks may offset this downward trend.
- The housing sector is expected to cool off further in the months ahead, with housing permits in 2008 remaining around 20,000 units, significantly below the 34,000 plus units for 2006 and the 25,000 plus units in 2007.
- The inflation outlook remains high, above 3%, in calendar 2008, as higher energy and other commodity prices are a concern.

## *Fiscal 2009 Revenue Projections*

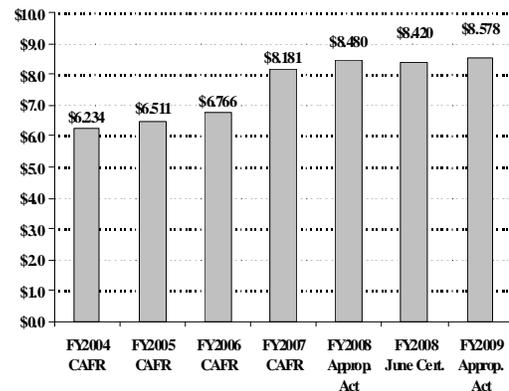
Total revenues for fiscal 2009 are expected to be \$32.4 billion, \$136 million less than the revised fiscal 2008 anticipated levels, and include no new or increased taxes. New Jersey and the nation are expected to continue to experience moderating economic growth in calendar year 2008.

## **Sales Tax**

The forecast of \$8.6 billion in Sales Tax revenue for fiscal 2009 is an increase of \$158 million over the revised fiscal 2008 level. The basic underlying growth of 1.9% reflects anticipated slower growth in wages and business investment in calendar years 2008 and 2009.

### **SALESTAX**

(In Billions)



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

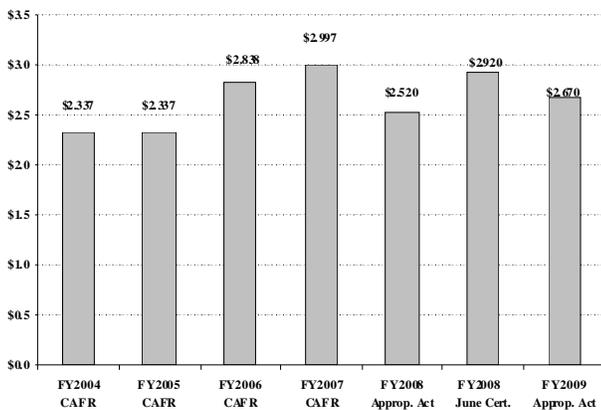
Sales Tax excludes the tax on energy  
 CAFR – Comprehensive Annual Financial Report

## Corporation Business Tax

The fiscal 2009 Corporation Business Tax (CBT) revenue forecast of \$2.7 billion represents a decrease of \$250 million compared with the revised fiscal 2008 level. This net downward revision is the result of losses due to: the expiration of the Alternative Minimum Assessment or AMA (-\$76 million) and fully phasing-in full net operating loss (NOL) deductibility (-\$20 million). It also assumes slower growth in payments for calendar year 2008 associated with the anticipated slowdown in corporate pre-tax profit growth. Pre-tax profit growth is projected to be around 4% for 2007, followed by a 10% decline in 2008.

### CORPORATION BUSINESS TAX

(In Billions)



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

## Gross Income Tax

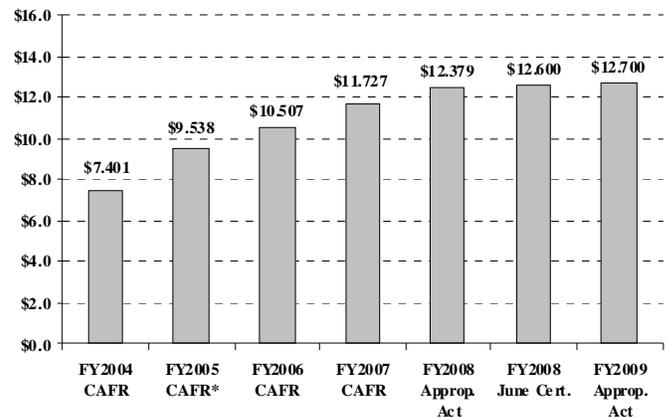
The fiscal 2009 forecast of \$12.7 billion is an increase of \$100 million over the revised fiscal 2008 level. The basic underlying growth rate of 0.8% over the revised fiscal 2008 level reflects the weakening income growth trends and the softer financial market. New Jersey Total Income, which is the tax base, increased 9.6% in 2005 and 7.3% in 2006. The tax base is projected to grow by 4.5% in 2007 and 3.2% in 2008, reflecting the outlook for personal income anticipated by a number of independent economic forecasting services. Households reporting over \$100,000 in total income account for 85% of the income tax revenue. Growth in income for these

households is expected to be around 7% in calendar 2007; followed by a slowdown to around 5% in tax year 2008 before improving to over 6% in tax year 2009. These increases are well below the double-digit average annual growth rate of 13% experienced in the 2004-2006 expansionary period, following the last economic recession.

This forecast is reduced by \$20 million, to take into account the expansion of the New Jersey Earned Income Tax Credit (EITC). The eligibility requirements for the New Jersey EITC have changed – beginning with tax year 2007 the benefits are available to all taxpayers who are eligible for the federal credit. The percentage used to calculate the expanded New Jersey EITC program was increased from 20% in tax year 2007 to 22.5% of the applicant's federal earned income tax credit for tax year 2008. This is slated to increase further to 25% of the federal earned income tax credit for tax year 2009 and beyond.

### GROSS INCOME TAX

(In Billions)



\*These revenues include changes in tax policy.

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

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

FY 2009 – EITC Expansion (\$60 million)

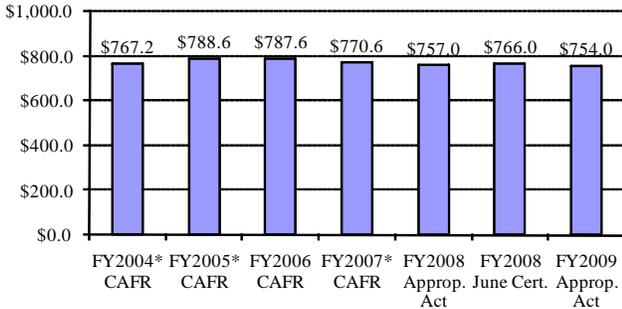
CAFR – Comprehensive Annual Financial Report

## Cigarette Tax

For fiscal 2009 the gross cigarette tax collections are estimated to be \$754 million. This estimate assumes a decline of approximately 2% in consumption from the revised fiscal 2008 estimate for gross collections.

From the fiscal 2009 gross collections, \$370 million is dedicated to the Health Care Subsidy Fund to assist hospitals with Charity Care and other uncompensated care disproportionate share payments; for subsidies for the New Jersey FamilyCare program; and for other hospital financial assistance. Moreover, \$150 million has been pledged to bondholders with the issuance of the Cigarette Tax Revenue Bonds, Series 2004. The remaining \$234 million in funds is available to support the General Fund.

**CIGARETTE TAX GROSS COLLECTIONS**  
(In Millions)

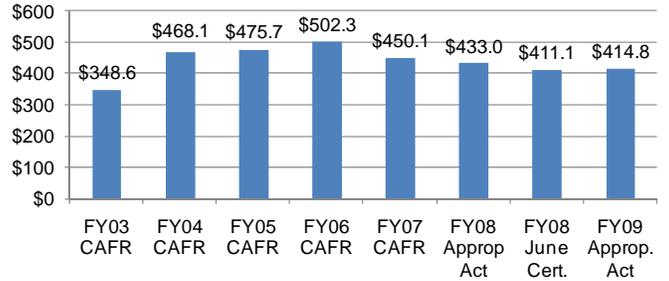


\*Includes change in tax rate.  
CAFR - Comprehensive Annual Financial Report

**Casino Revenue**

The fiscal 2009 Casino Revenue forecast of \$415 million represents an increase of \$4 million over the revised fiscal 2008 level. Although major hotel expansions will boost capacity, the impact of the implementation of a full smoking ban and the current economic conditions will offset a large portion of this growth.

**CASINO REVENUE FORECASTS**  
(In Millions)



**Transitional Energy Facility Assessment (TEFA)**

The TEFA unit rate surcharges have been frozen at the calendar year 2008 rates for 2009, 2010, and 2011; these surcharges will be reduced in calendar years 2012 and 2013. After December 31, 2013, the TEFA assessments will be eliminated.

The fiscal 2009 TEFA collections from this postponed phase-out, an estimated \$62 million, are dedicated during fiscal 2009 to support State funds provided to hospitals and for Medicaid funding for nursing homes.

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## Chapter 3: Charts and Graphs

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# *State of New Jersey*

## ***Budget Highlights***

The FY 2009 budget spends \$600 million less than the budget enacted last June. This represents the largest decrease of any State budget in New Jersey history and is three times larger than any year to year reduction in the past.

The budget includes nearly \$3 billion in actions to reduce spending to offset mandatory growth.

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

The budget applies nearly \$1 billion of excess FY 2008 revenue to reduce debt and fund capital projects and repay previous Unemployment Fund diversions. The one-time use of the one-time excess defines the Administration's commitment to erase the structural gap between recurring revenue and recurring spending.

The budget provides \$650 million to reduce the State's debt and save at least \$135 million per year for the next five years.

The budget reduces the size and cost of government by approximately \$300 million through downsizing the workforce, consolidating departments and other actions.

The operating budget for every Executive branch department is reduced.

The budget continues to protect core responsibilities of government – educating our children; providing public safety; and caring for the most vulnerable.

The budget increases overall funding for property tax relief to nearly \$16.7 billion – over 50 percent of the budget.

The budget provides over \$11.5 billion in support of schools, an increase of nearly \$600 million. One-third of the budget is dedicated to school aid.

The budget adjustments by the Governor and the Legislature represent less than 1 percent of the overall budget and are limited to policy areas such as health care, municipal aid, tuition assistance, and other social service programs. Budget adjustments do not include any specific line item appropriations to support specific organizations.

The budget does not include any new or increased taxes.

# State of New Jersey

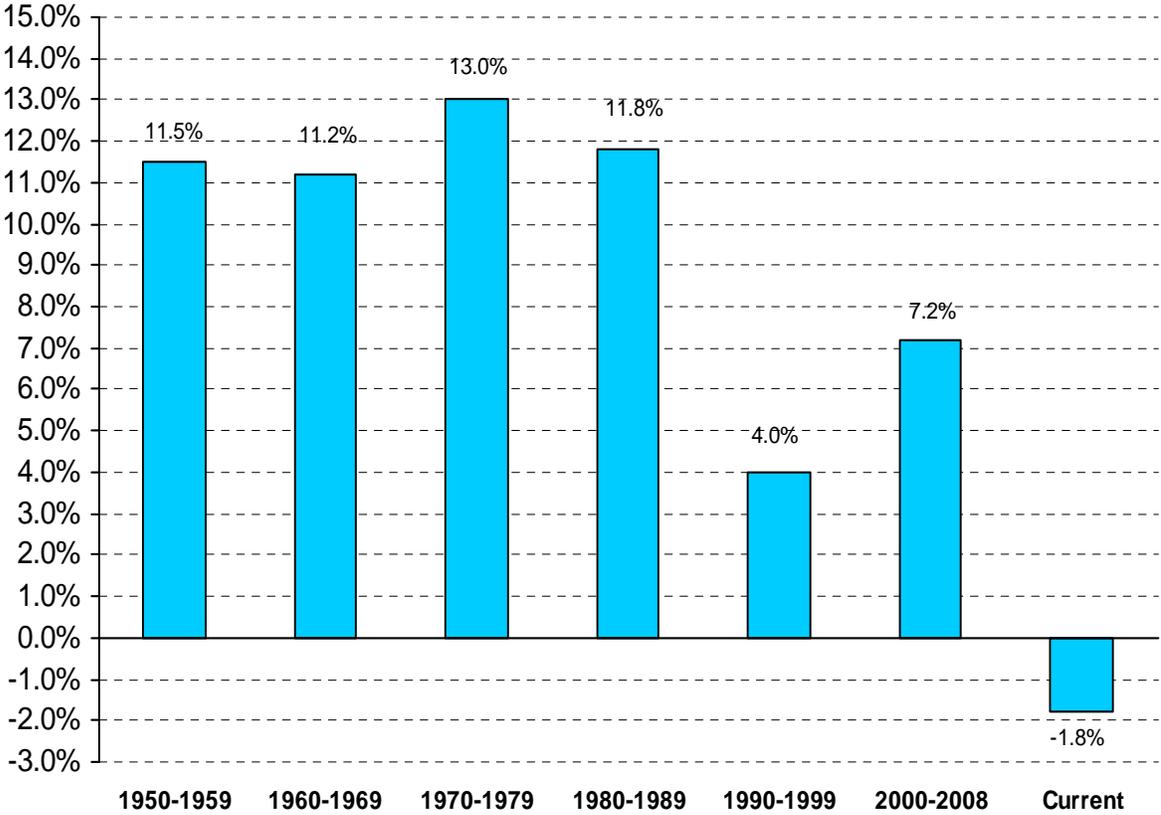
## *Details of the FY 2009 Appropriations Act*

(In Millions)

	FY2008 Adjusted Approp.	FY2009 Approp. Act	Change	
			\$	%
<b>Opening Surplus</b>	\$ 2,588	\$ 1,100	\$ (1,488)	(57.5)
Revenues				
Income	12,640	12,760	120	0.9
EITC Expansion	(40)	(60)	(20)	50.0
Sales	8,420	8,578	158	1.9
Corporate	2,920	2,670	(250)	(8.6)
Other	8,564	8,420	(144)	(1.7)
<b>Total Revenues</b>	\$ 32,504	\$ 32,368	\$ (136)	(0.4)
Lapses	600			
<b>Total Resources</b>	\$ 35,692	\$ 33,468	\$ (2,224)	(6.2)
Appropriations				
Original	\$ 33,471	\$ 32,868	\$ (603)	(1.8)
Other Supplementals	177			
Unemployment Insurance	260			
<b>Total Appropriations</b>	\$ 33,908	\$ 32,868	\$ (1,040)	(3.1)
Long Term Obligation and Capital Expenditure Fund	\$ 684			
<b>Fund Balance</b>	\$ 1,100	\$ 600		

# State of New Jersey

## Average Change in Appropriations Over Almost 6 Decades

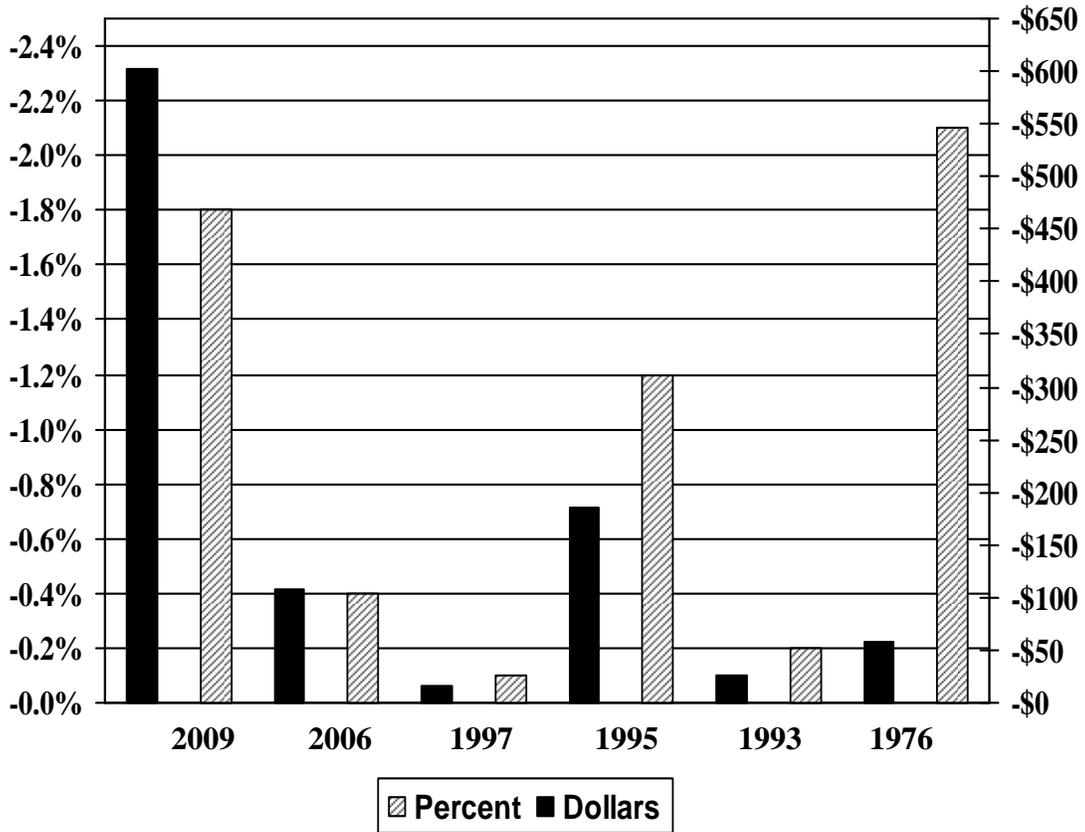


Data compares Appropriation Acts

# State of New Jersey

## Six Appropriation Acts Less Than Prior Year

(In Millions and as a Percent Decrease)



# State of New Jersey

## *FY 2009 Revenues*

(In Millions)

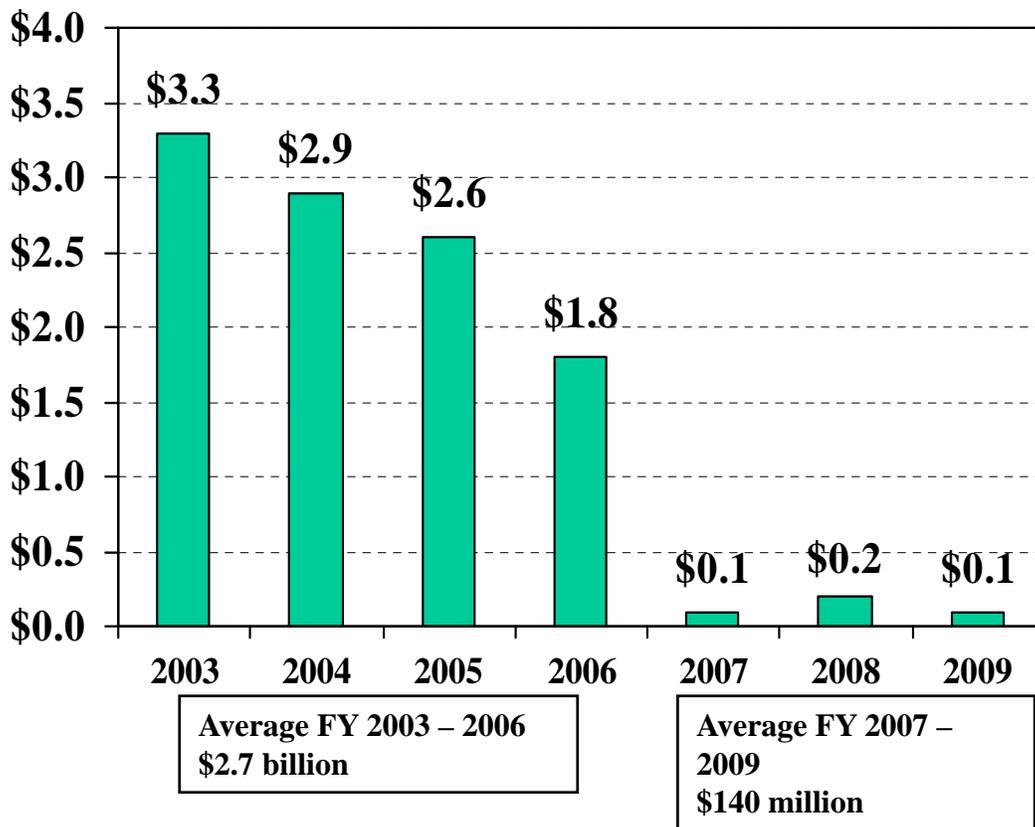
	<u>FY2008 June Cert.</u>	<u>FY2009 Revenues</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
Income	\$ 12,600	\$ 12,700	\$ 100	0.8
Sales	8,420	8,578	158	1.9
Corporate	2,920	2,670	(250)	(8.6)
Other*	<u>8,564</u>	<u>8,420</u>	<u>(144)</u>	(1.7)
<b>Total</b>	<b><u>\$ 32,504</u></b>	<b><u>\$ 32,368</u></b>	<b><u>\$ (136)</u></b>	(0.4)

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

# State of New Jersey

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

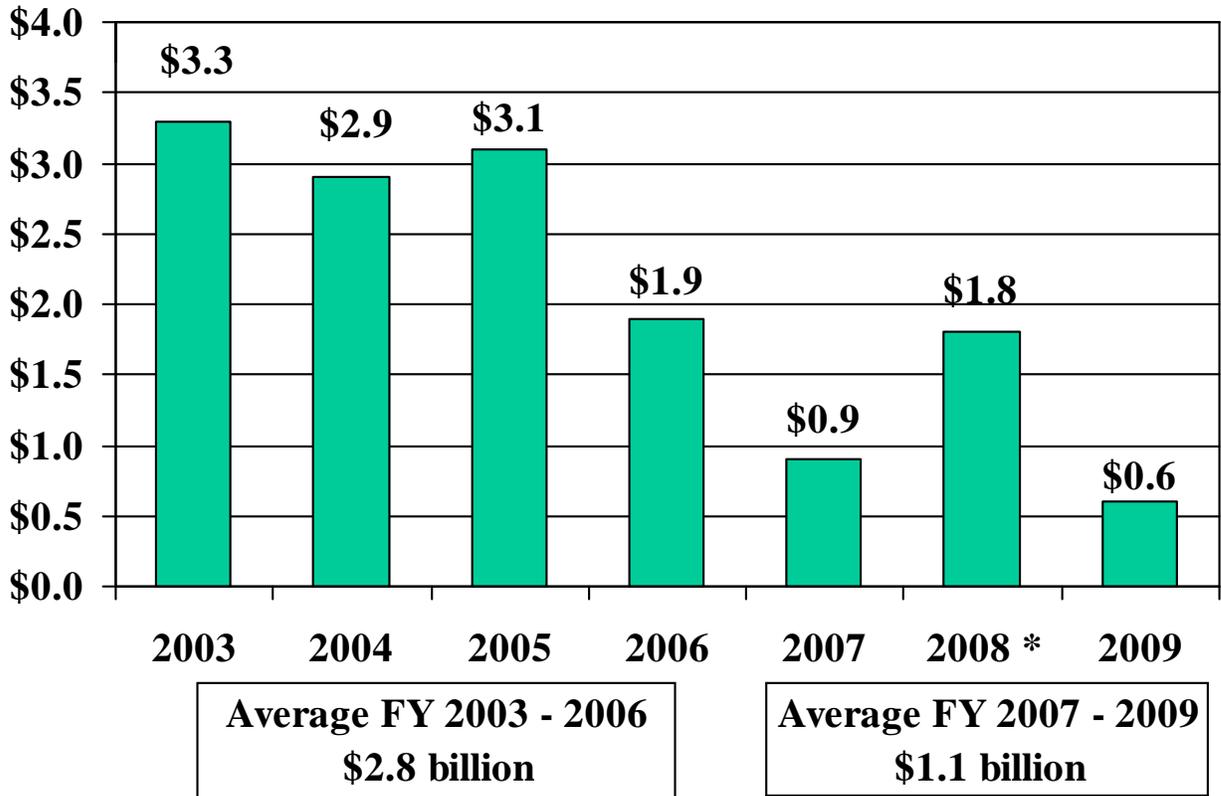
(In Billions)



# State of New Jersey

## Diversions from Dedicated Funds and Prior Year Surpluses

(In Billions)



\* Includes \$650 million of deferred Sales Tax revenue

# State of New Jersey

## *Use of Excess FY 2008 Surplus*

(In Millions)

### **Long Term Obligation and Capital Expenditure Fund**

Debt Reduction*	\$	650
Capital		<u>34</u>
<b>Sub-Total</b>	<b>\$</b>	<b>684</b>

### **Other Uses**

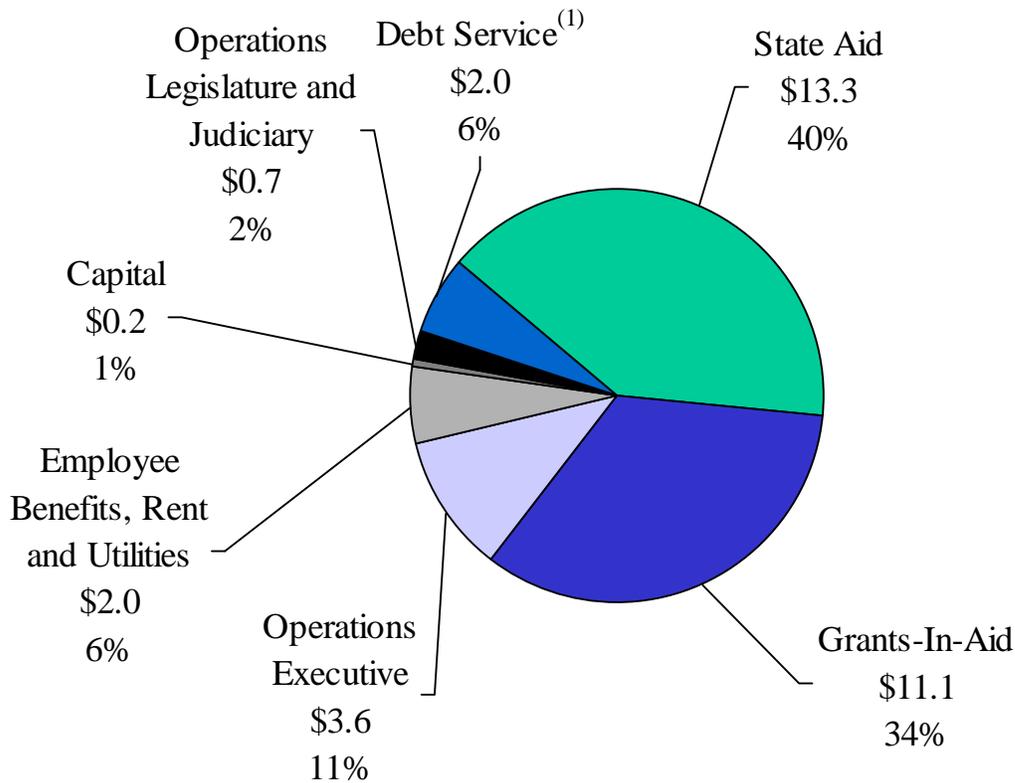
Unemployment Insurance Fund	\$	<u>260</u>
<b>TOTAL</b>	<b>\$</b>	<b><u><u>944</u></u></b>

\* \$135 million Debt Service savings for five years.

# State of New Jersey

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

(In Billions)



**Total Budget is \$33 Billion**

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

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

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

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

<sup>(1)</sup> Total Debt Service is \$2.5 billion; School Construction Debt is reflected in State Aid.

# State of New Jersey

## Appropriations Act

(In Thousands)

	FY2008	FY2009	Change	
	Adjusted Approp.	Approp. Act	\$	%
Chief Executive	\$ 5,428	\$ 5,293	\$ (135)	(2.5)
Agriculture	26,673	22,878	(3,795)	(14.2)
Banking and Insurance	72,127	70,340	(1,787)	(2.5)
Children and Families	1,080,910	1,075,703	(5,207)	(0.5)
Community Affairs	1,307,854	1,152,383	(155,471)	(11.9)
Corrections	1,184,028	1,141,861	(42,167)	(3.6)
Education	11,069,223	11,553,913	484,690	4.4
Environmental Protection	482,361	435,709	(46,652)	(9.7)
Health and Senior Services	1,746,340	1,596,328	(150,012)	(8.6)
Human Services	4,921,626	4,883,321	(38,305)	(0.8)
Labor and Workforce Development (a)	398,670	138,367	(260,303)	(65.3)
Law and Public Safety	635,425	589,269	(46,156)	(7.3)
Military and Veterans' Affairs	96,677	93,367	(3,310)	(3.4)
Personnel	22,824	20,597	(2,227)	(9.8)
Public Advocate	20,357	16,966	(3,391)	(16.7)
State	1,344,252	1,242,988	(101,264)	(7.5)
Transportation	1,332,096	1,368,139	36,043	2.7
Treasury	4,167,078	3,431,813	(735,265)	(17.6)
Miscellaneous Commissions	1,456	1,456	-	-
Subtotal Executive Branch	<u>\$ 29,915,405</u>	<u>\$ 28,840,691</u>	<u>\$ (1,074,714)</u>	<u>(3.6)</u>
Interdepartmental	\$ 3,287,326	\$ 3,319,398	\$ 32,072	1.0
Legislature	\$ 76,508	\$ 72,915	\$ (3,593)	(4.7)
Judiciary (b)	629,131	635,467	6,336	1.0
Total	<u>\$ 33,908,370</u>	<u>\$ 32,868,471</u>	<u>\$ (1,039,899)</u>	<u>(3.1)</u>

(a) FY 2008 includes \$260 million supplemental to the Unemployment Insurance Fund.

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

# State of New Jersey

## Direct State Services By Department

(In Thousands)

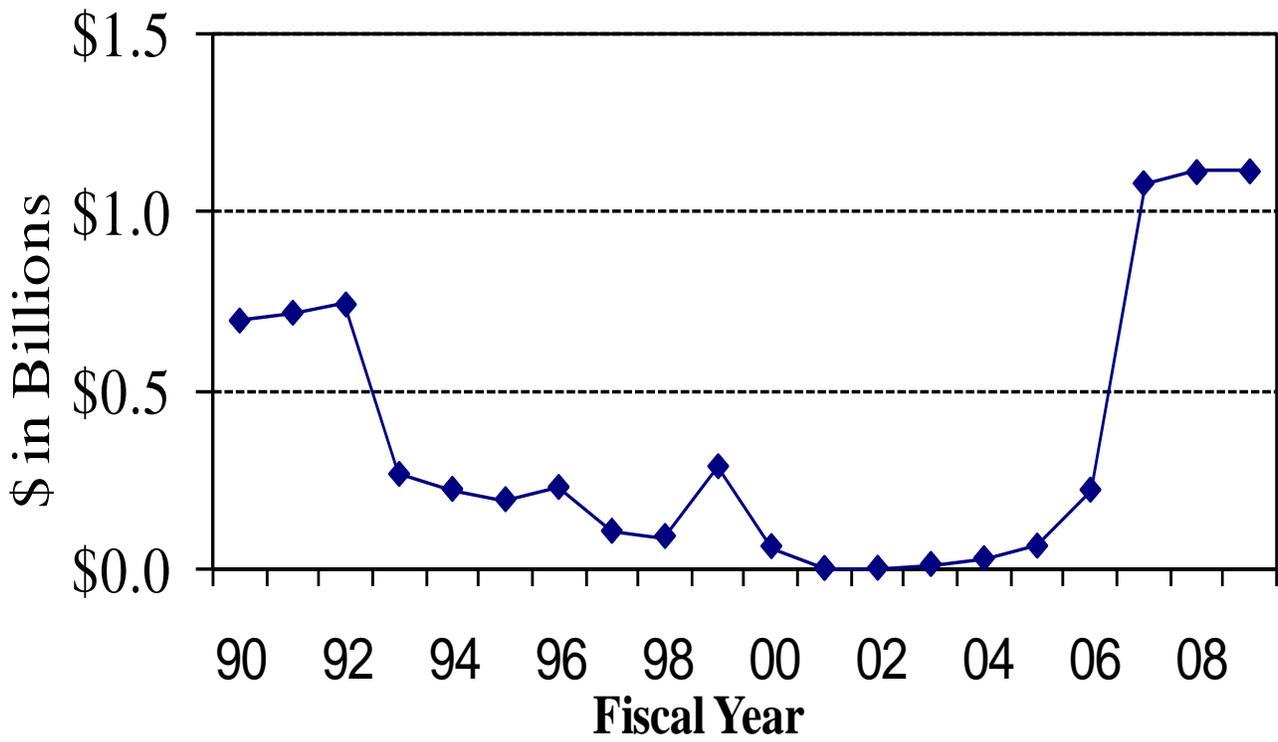
	FY2008	FY2009	Change	
	Adjusted Approp.	Approp. Act	\$	%
Chief Executive	\$ 5,428	\$ 5,293	\$ (135)	(2.5)
Agriculture	9,721	7,930	(1,791)	(18.4)
Banking and Insurance	72,127	70,340	(1,787)	(2.5)
Children and Families	326,958	320,636	(6,322)	(1.9)
Community Affairs	40,991	39,574	(1,417)	(3.5)
Corrections	1,028,994	1,021,828	(7,166)	(0.7)
Education	78,410	74,998	(3,412)	(4.4)
Environmental Protection	251,403	232,664	(18,739)	(7.5)
Health and Senior Services	73,714	65,684	(8,030)	(10.9)
Human Services	515,948	489,566	(26,382)	(5.1)
Labor and Workforce Development	64,973	64,881	(92)	(0.1)
Law and Public Safety	577,040	545,766	(31,274)	(5.4)
Military and Veterans' Affairs	92,315	90,193	(2,122)	(2.3)
Personnel	22,824	20,597	(2,227)	(9.8)
Public Advocate	20,357	16,966	(3,391)	(16.7)
State	41,759	36,435	(5,324)	(12.7)
Transportation	101,968	81,921	(20,047)	(19.7)
Treasury	508,568	464,433	(44,135)	(8.7)
Miscellaneous Commissions	1,456	1,456	-	-
Subtotal Executive Branch	<u>\$ 3,834,954</u>	<u>\$ 3,651,161</u>	<u>\$ (183,793)</u>	(4.8)
Interdepartmental	\$ 2,138,664	\$ 2,159,028	\$ 20,364	1.0
Legislature	\$ 76,508	\$ 72,915	\$ (3,593)	(4.7)
Judiciary	<u>629,131</u>	<u>635,467</u>	<u>6,336</u>	1.0
Total	<u><u>\$ 6,679,257</u></u>	<u><u>\$ 6,518,571</u></u>	<u><u>\$ (160,686)</u></u>	(2.4)

Departmental budgets will be further impacted by the Early Retirement Incentive (ERI) and other employee actions (\$91 million) reflected in Interdepartmental and procurement savings (\$25 million). Growth in Judiciary for incarceration diversion programs generates savings in the Department of Corrections, Grants in Aid.

# State of New Jersey

## State Pension Contributions FY 1990 – FY 2009

(In Billions)

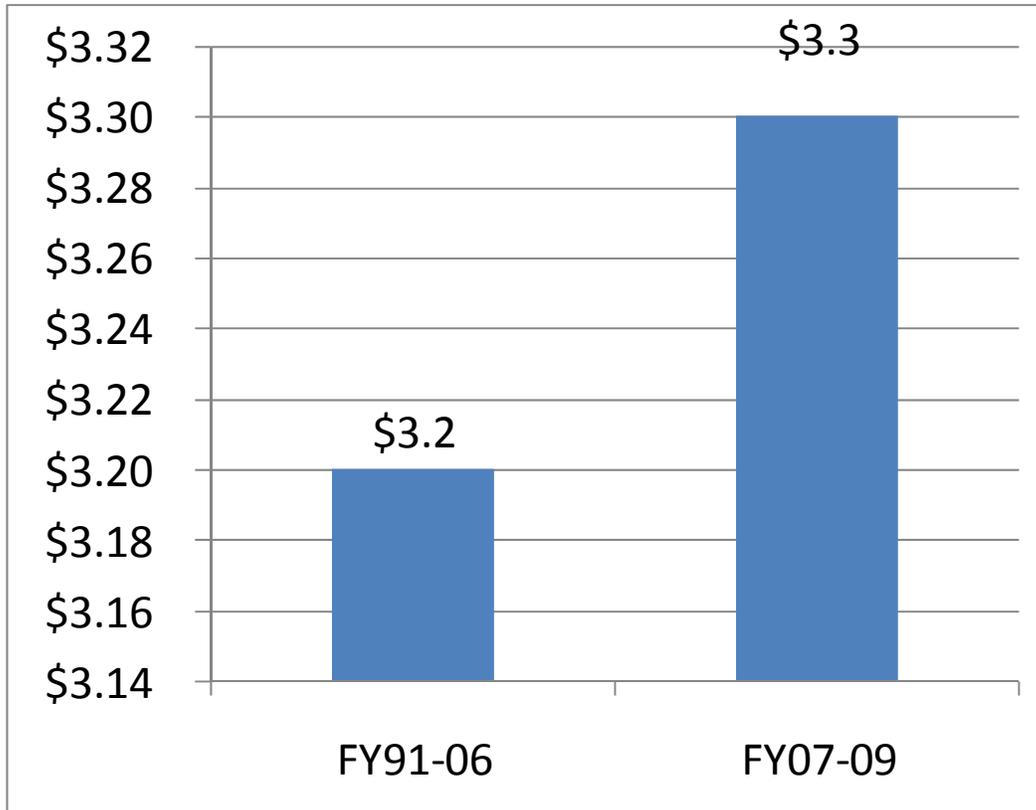


Defined Benefit Plans Only

# State of New Jersey

## Comparison of State Pension Contributions Prior to the Corzine Administration

(\$ in Billions)



Funding for pensions since the beginning of the Corzine Administration is greater than the contributions from the prior sixteen years combined.

Defined Benefit Plans Only

# State of New Jersey

## *Projected FY 2008 – FY 2022 Savings from the Pension and Health Benefit Reforms Effective July 1, 2007*

(In Millions)

	<b>State PERS/TPAF</b>	<b>Local PERS</b>	<b>Total PERS/TPAF</b>
<b>Pension Savings</b>			
Retirement age from 55 to 60	\$ 287.3	\$ 83.3	\$ 370.6
Cap on defined benefit salary	501.5	399.3	900.8
Increase employee contribution from 5% to 5.5%	1,497.8	794.4	2,292.2
Mandatory defined contribution for elected/appointed	1.3	15.4	16.7
<b>TOTAL PENSION SAVINGS</b>	<b>\$ 2,287.8</b>	<b>\$ 1,292.4</b>	<b>\$ 3,580.2</b>
<b>Health Benefit Savings</b>			
	<b>State</b>	<b>Locals Including Municipalities, Counties &amp; School Boards</b>	<b>Total State/Local</b>
1.5% of salary contribution (1)	\$ 1,850.3	\$ -	\$ 1,850.3
Co-pay changes	191.3	-	191.3
Plan design changes (2)	476.0	300.9	776.9
<b>TOTAL HEALTH BENEFIT SAVINGS</b>	<b>\$ 2,517.6</b>	<b>\$ 300.9</b>	<b>\$ 2,818.5</b>
<b>GRAND TOTAL PENSION &amp; HEALTH BENEFIT SAVINGS</b>	<b>\$ 4,805.4</b>	<b>\$ 1,593.3</b>	<b>\$ 6,398.7</b>

(1) For local employers if 50% of them negotiate and adopt with their employees the 1.5% of salary contribution toward health benefits it is projected that the aggregate savings thru FY 2022 would be \$2.546 billion.

(2) State savings for plan design changes includes savings attributable to retired teachers and other school board retirees funded by the State.

# State of New Jersey

## ***Projected FY 2009 – FY 2022 Savings from Further Pension and Health Benefits Reforms***

(In Millions)

	State PERS/IPAF	Local PERS	Total PERS/IPAF
<b>Pension Savings</b>			
Retirement age from 60 to 62	\$ 53.6	\$ 53.4	\$ 107.0
Raise eligibility threshold to \$7,500	0.8	12.2	13.1
New adjunct faculty from PERS to ABP (no estimate at this time)	-	-	-
Appeals heard by OAL (no savings)	-	-	-
<b>TOTAL PENSION SAVINGS</b>	<b>\$ 54.5</b>	<b>\$ 65.6</b>	<b>\$ 120.1</b>
		<b>Locals Including Municipalities, Counties &amp; School Boards</b>	<b>Total State/Local</b>
<b>Health Benefit Savings</b>	<b>State</b>		
Allow State to offer incentive to waive SHBP coverage (no estimate at this time)	\$ -	\$ -	\$ -
Out-of-state purchase not count towards PRM (no estimate at this time)	-	-	-
Codification of current regs for definition of full-time for locals (no savings)	-	-	-
<b>TOTAL HEALTH BENEFIT SAVINGS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL PENSION &amp; HEALTH BENEFIT SAVINGS</b>	<b>\$ 54.5</b>	<b>\$ 65.6</b>	<b>\$ 120.1</b>
<b>Other Savings</b>			
Eliminate Lincoln's Birthday as Holiday	\$ 32.2	\$ -	\$ 32.2
<b>GRAND TOTAL SAVINGS</b>	<b>\$ 86.6</b>	<b>\$ 65.6</b>	<b>\$ 152.2</b>

# State of New Jersey

## Funding for Property Tax Relief

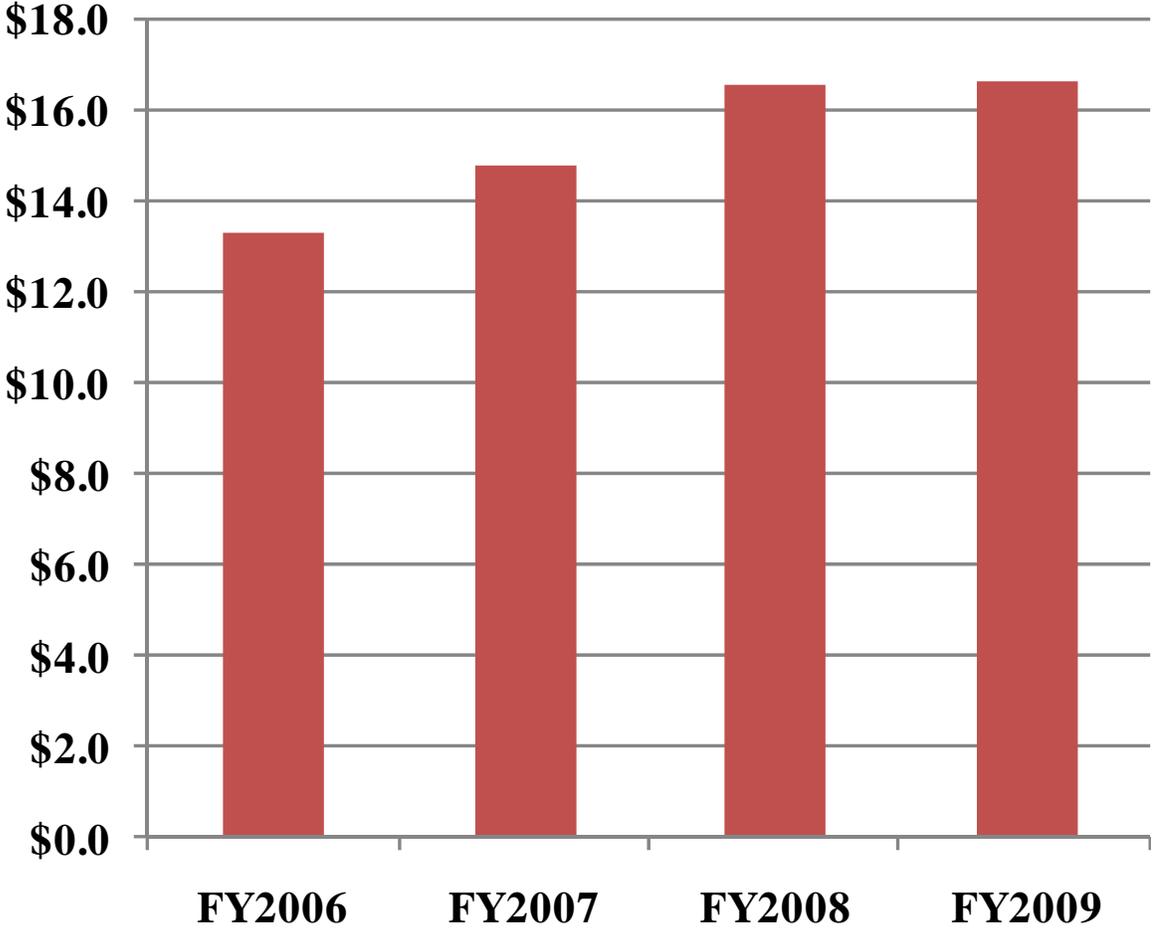
(In Millions)

	<b>FY2008 Adjusted Approp.</b>	<b>FY2009 Approp. Act</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
School Aid	\$ 10,933.4	\$ 11,503.6	\$ 570.2	5.2
Municipal Aid	1,996.8	1,834.4	(162.4)	(8.1)
Other Local Aid	840.5	831.6	(8.9)	(1.1)
Direct Property Tax Relief	<u>2,842.0</u>	<u>2,504.5</u>	<u>(337.5)</u>	(11.9)
<b>Total Direct Aid</b>	<b><u>\$ 16,612.7</u></b>	<b><u>\$ 16,674.1</u></b>	<b><u>\$ 61.4</u></b>	0.4

*State of New Jersey*

***Total Property Tax Relief  
FY 2006 – FY 2009***

(In Billions)



# State of New Jersey

## *Direct Property Tax Relief*

(In Millions)

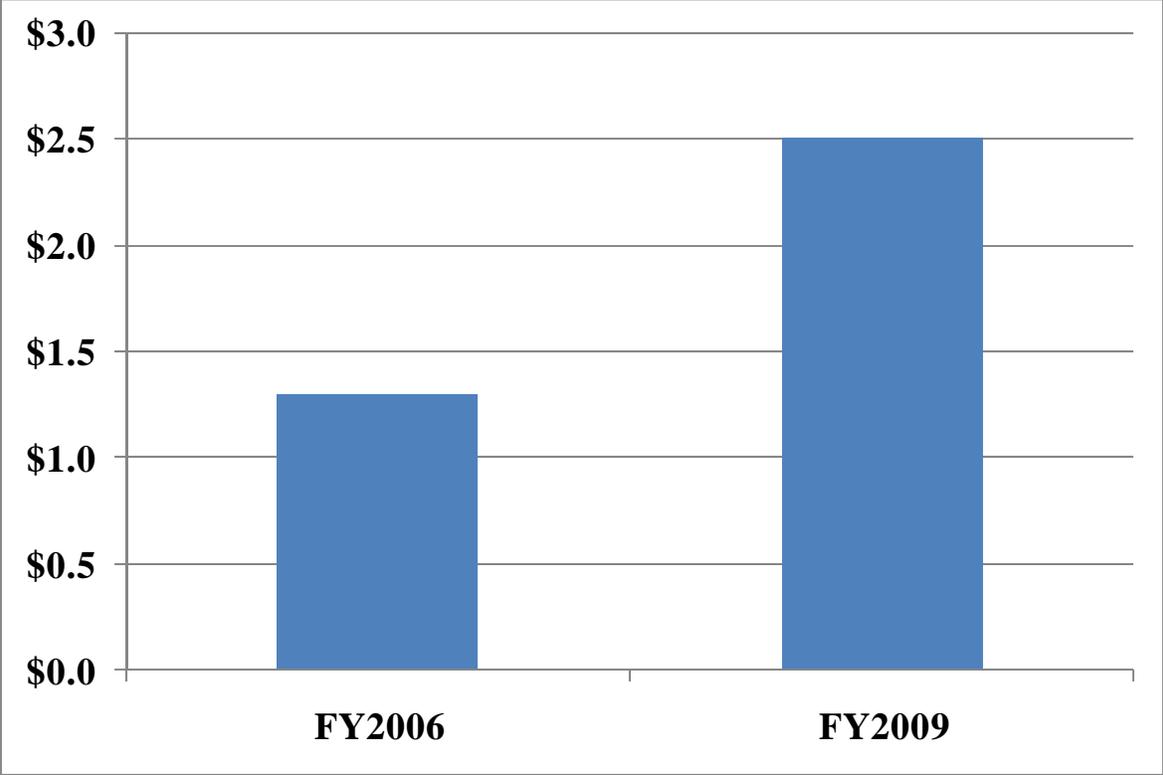
	<b>FY2008</b>		<b>FY2009</b>	<b>Change</b>	
	<b>Adjusted</b>		<b>Approp.</b>	<b>\$</b>	<b>%</b>
	<b>Approp.</b>		<b>Act</b>	<b>\$</b>	<b>%</b>
Homestead Property Tax Credits/Rebates for Homeowners	\$ 1,850.0	**	\$ 1,583.5	\$ (266.5)	(14.4)
Homestead Rebates for Tenants	240.0	**	124.0	(116.0)	(48.3)
Senior/Disabled Citizens' Property Tax Freeze	153.0		169.0	16.0	10.5
Property Tax Deduction Act	502.0		536.0	34.0	6.8
Municipal Reimbursement - Veterans' Tax Deductions	75.0		71.5	(3.5)	(4.7)
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	22.0		20.5	(1.5)	(6.8)
	<hr/>		<hr/>	<hr/>	
<b>Total Direct Property Tax Relief</b>	<b><u>\$ 2,842.0</u></b>		<b><u>\$ 2,504.5</u></b>	<b><u>\$ (337.5)</u></b>	<b>(11.9)</b>

\*\*Reflects fiscal 2008 expended.

*State of New Jersey*

***Direct Property Tax Relief***

(In Billions)



# State of New Jersey

## School Aid

(In Millions)

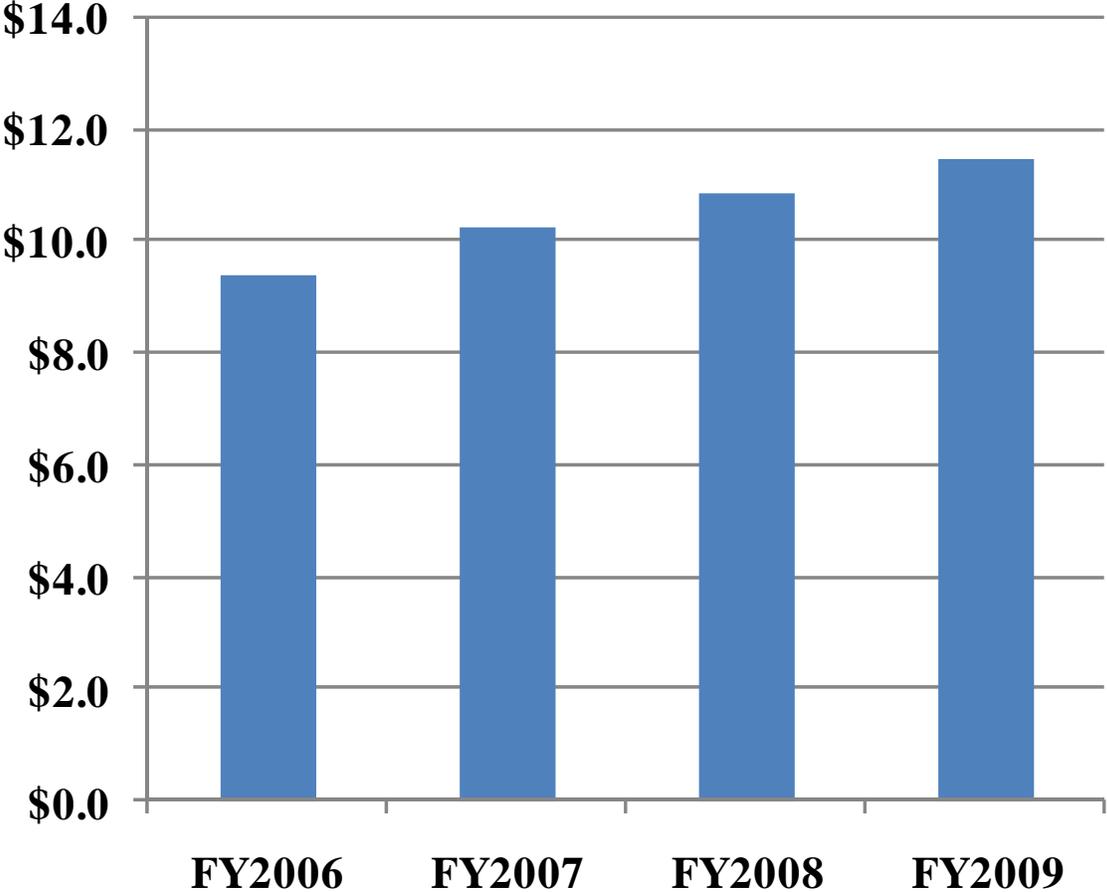
	FY2008 Adjusted Approp.	FY2009 Approp. Act	Change \$	%
Formula Aid	\$ 7,265.4	\$ 7,780.0	\$ 514.6	7.1
Preschool Programs	516.3	543.8	27.5	5.3
Other Aid	234.2	231.7	(2.5)	(1.1)
<b>Total Direct School Aid*</b>	<b>\$ 8,015.9</b>	<b>\$ 8,555.5</b>	<b>\$ 539.6</b>	6.7
Teachers' Pension and Annuity Fund	\$ 692.3	\$ 693.3	\$ 1.0	0.1
Post Retirement Medical	751.1	750.1	(1.0)	(0.1)
Debt Service on Pension Obligation Bonds	103.5	112.5	9.0	8.7
Teachers' Social Security	717.2	729.6	12.4	1.7
<b>Total Direct State Payments for Education</b>	<b>\$ 2,264.1</b>	<b>\$ 2,285.5</b>	<b>\$ 21.4</b>	0.9
School Construction and Renovation Fund	\$ 540.4	\$ 559.5	\$ 19.1	3.5
Debt Service Aid	113.0	103.1	(9.9)	(8.8)
<b>Total School Building Aid</b>	<b>\$ 653.4</b>	<b>\$ 662.6</b>	<b>\$ 9.2</b>	1.4
<b>Total School Aid</b>	<b>\$ 10,933.4</b>	<b>\$ 11,503.6</b>	<b>\$ 570.2</b>	5.2

\* Does not reflect a FY08 final payment.

*State of New Jersey*

***School Aid  
FY 2006 – FY 2009***

(In Billions)



# State of New Jersey

## *Municipal Aid*

(In Millions)

	FY2008 Adjusted Approp.	FY2009 Approp. Act	Change	
			\$	%
<b>Formula Aid</b>				
Consolidated Municipal Property Tax Relief Aid (CMPTRA)	\$ 835.4	\$ 808.9	\$ (26.5)	(3.2)
Energy Tax Receipts Property Tax Relief Aid	788.5	788.5	-	-
Trenton Capital City Aid	37.5	35.6	(1.9)	(5.1)
Municipal Efficiency Promotion Aid Program	34.8	-	(34.8)	(100.0)
2008 Municipal Property Tax Assistance	32.6	-	(32.6)	(100.0)
Municipal Homeland Security Assistance	32.0	-	(32.0)	(100.0)
Open Space - Payment In Lieu of Taxes (PILOT)	9.8	10.0	0.2	2.0
Highlands Protection Fund Aid *	12.0	12.0	-	-
Regional Efficiency Aid Program (REAP)	8.0	6.0	(2.0)	(25.0)
<b>Subtotal Formula Aid **</b>	<b>1,790.6</b>	<b>1,661.0</b>	<b>(129.6)</b>	<b>(7.2)</b>
<b>Discretionary Aid</b>				
Special Municipal Aid	153.0	145.4	(7.6)	(5.0)
Extraordinary Aid	34.0	25.0	(9.0)	(26.5)
Consolidation Fund / SHARE ***	19.2	3.0	(16.2)	(84.4)
<b>Subtotal Discretionary Aid</b>	<b>206.2</b>	<b>173.4</b>	<b>(32.8)</b>	<b>(15.9)</b>
<b>Total Municipal Aid</b>	<b>\$ 1,996.8</b>	<b>\$ 1,834.4</b>	<b>\$ (162.4)</b>	<b>(8.1)</b>

\* Of the \$12 million for Highlands Protection Fund Aid, \$4.4 million is discretionary.

\*\* The reduction of \$129.6 million in formula aid represents approximately 1% of the anticipated \$12 billion in spending by municipalities.

\*\*\* FY 2008 will carry forward at least \$22 million.

# State of New Jersey

## Funding for Property Tax Relief

(In Millions)

PROGRAM DESCRIPTION	FY2008 Adjusted Approp.	FY2009 Approp. Act	Change \$	%
<b>School Aid</b>				
* Direct Aid	\$ 8,015.9	\$ 8,555.5	\$ 539.6	6.7
School Building Aid	653.4	662.6	9.2	1.4
Teachers' Retirement Benefits & Social Security	2,264.1	2,285.5	21.4	0.9
<b>Subtotal School Aid</b>	<b>\$ 10,933.4</b>	<b>\$ 11,503.6</b>	<b>\$ 570.2</b>	<b>5.2</b>
<b>Municipal Aid</b>				
Consolidated Municipal Property Tax Relief Aid (CMPTRA)	\$ 835.4	\$ 808.9	\$ (26.5)	(3.2)
** Energy Tax Receipts Property Tax Relief Aid	788.5	788.5	-	-
Special Municipal Aid	153.0	145.4	(7.6)	(5.0)
Trenton Capital City Aid	37.5	35.6	(1.9)	(5.1)
Municipal Efficiency Promotion Aid Program	34.8	-	(34.8)	(100.0)
Extraordinary Aid	34.0	25.0	(9.0)	(26.5)
2008 Municipal Property Tax Assistance	32.6	-	(32.6)	(100.0)
Municipal Homeland Security Assistance	32.0	-	(32.0)	(100.0)
Consolidation Fund / SHARE	19.2	3.0	(16.2)	(84.4)
Highlands Protection Fund Aid	12.0	12.0	-	-
Open Space - Payments in Lieu of Taxes	9.8	10.0	0.2	2.0
Regional Efficiency Aid Program (REAP)	8.0	6.0	(2.0)	(25.0)
<b>Subtotal Municipal Aid</b>	<b>\$ 1,996.8</b>	<b>\$ 1,834.4</b>	<b>\$ (162.4)</b>	<b>(8.1)</b>
<b>Other Local Aid</b>				
County College Aid	\$ 231.4	\$ 221.6	\$ (9.8)	(4.2)
** Transportation Trust Fund - Local Project Aid	172.0	175.0	3.0	1.7
Aid to County Psychiatric Hospitals	122.0	123.8	1.8	1.4
Employee Benefits on behalf of Local Governments	94.3	96.6	2.3	2.5
** Urban Enterprise Zones - Sales Tax Dedication	85.0	87.0	2.0	2.4
County Solid Waste Debt	35.0	30.0	(5.0)	(14.3)
General Assistance Administration	26.0	29.7	3.7	14.2
Library Aid	18.5	17.8	(0.7)	(3.9)
DCA - Housing and Neighborhood Assistance	16.7	13.9	(2.8)	(16.6)
911 Enhancement	14.9	12.4	(2.5)	(16.9)
Voter Verified Paper Audit Trail	10.0	10.0	-	-
County Prosecutors	8.0	8.0	-	-
County Environmental Health Act	3.5	2.7	(0.8)	(21.8)
SJPC Property Tax Reserve Fund (PILOT)	3.2	3.1	(0.1)	(3.1)
<b>Subtotal Other Local Aid</b>	<b>\$ 840.5</b>	<b>\$ 831.6</b>	<b>\$ (8.9)</b>	<b>(1.1)</b>
<b>Direct Taxpayer Relief</b>				
Homestead Property Tax Credits/Rebates for Homeowners	\$ 1,850.0	*** \$ 1,583.5	\$ (266.5)	(14.4)
Homestead Rebates for Tenants	240.0	*** 124.0	(116.0)	(48.3)
Senior/Disabled Citizens' Property Tax Freeze	153.0	169.0	16.0	10.5
Municipal Reimbursement--Veterans' Tax Deductions	75.0	71.5	(3.5)	(4.7)
Municipal Reimbursement--Senior/Disabled Citizens' Tax Deduction	22.0	20.5	(1.5)	(6.8)
** Property Tax Deduction Act	502.0	536.0	34.0	6.8
<b>Subtotal Direct Taxpayer Relief</b>	<b>\$ 2,842.0</b>	<b>\$ 2,504.5</b>	<b>\$ (337.5)</b>	<b>(11.9)</b>
<b>GRAND TOTAL - TAXPAYER RELIEF</b>	<b>\$ 16,612.7</b>	<b>\$ 16,674.1</b>	<b>\$ 61.4</b>	<b>0.4</b>

\* Does not reflect a FY08 final payment

\*\* Not part of State budget

\*\*\* Reflects fiscal 2008 expended

FY08 excludes one-time funding for GSPT, presidential Primary and Flood Relief

# State of New Jersey

## Higher Education

(In Millions)

	<b>FY2008 Adjusted Approp.</b>	<b>FY2009 Approp. Act</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
Colleges and Universities				
Senior Public Colleges and Universities	\$ 1,499.9	\$ 1,444.7	\$ (55.2)	(3.7)
County Colleges	231.4	221.6	(9.8)	(4.2)
Independent Colleges and Universities	20.4	18.4	(2.0)	(9.8)
Student Financial Assistance	268.3	286.6	18.3	6.8
Educational Opportunity Fund	40.6	41.2	0.6	1.5
Facility and Capital Improvement Programs	93.4	88.1	(5.3)	(5.7)
Other Programs	18.1	10.5	(7.6)	(42.0)
Total Higher Education	<b>\$ 2,172.1</b>	<b>\$ 2,111.1</b>	<b>\$ (61.0)</b>	(2.8)

# State of New Jersey

## Higher Education

(In Millions)

	FY2008	FY 2009	Change	
	Adjusted Approp.	Approp. Act	\$	%
<b>Senior Public Institutions</b>				
Rutgers University	\$ 328.6	\$ 293.0	\$ (35.6)	(10.8)
UMDNJ	231.1	208.7	(22.4)	(9.7)
NJIT	49.1	43.4	(5.7)	(11.6)
Thomas Edison State College	6.0	5.4	(0.6)	(10.0)
Rowan University	38.7	34.7	(4.0)	(10.3)
New Jersey City University	32.9	29.5	(3.4)	(10.3)
Kean University	42.5	38.1	(4.4)	(10.4)
William Paterson University	41.3	37.2	(4.1)	(9.9)
Montclair State University	48.6	43.7	(4.9)	(10.1)
College of New Jersey	37.0	33.3	(3.7)	(10.0)
Ramapo College of New Jersey	20.5	18.2	(2.3)	(11.2)
Richard Stockton College of New Jersey	25.1	22.6	(2.5)	(10.0)
<b>Subtotal Senior Publics Direct Aid</b>	<b>\$ 901.4</b>	<b>\$ 807.8</b>	<b>\$ (93.6)</b>	<b>(10.4)</b>
Senior Publics Salary Funding	-	38.5	38.5	-
Senior Publics Net Fringe Benefits	598.5	598.4	(0.1)	-
<b>Total Senior Publics</b>	<b>\$ 1,499.9</b>	<b>\$ 1,444.7</b>	<b>\$ (55.2)</b>	<b>(3.7)</b>
<b>County Colleges</b>				
Operating Support <sup>a</sup>	\$ 163.4	\$ 149.1	\$ (14.3)	(8.8)
Fringe Benefits	34.5	34.5	-	-
Chapter 12 Debt Service	33.5	38.0	4.5	13.6
<b>Total County Colleges</b>	<b>\$ 231.4</b>	<b>\$ 221.6</b>	<b>\$ (9.8)</b>	<b>(4.2)</b>
<b>Total Independent Colleges and Universities</b>	<b>\$ 20.4</b>	<b>\$ 18.4</b>	<b>\$ (2.0)</b>	<b>(10.0)</b>
<b>Student Financial Assistance</b>				
Tuition Aid Grants (TAG)	\$ 230.2	\$ 250.5	\$ 20.3	8.8
Part-time TAG for County Colleges	5.5	6.0	0.5	9.2
NJSTARS I & II	13.8	14.7	0.9	6.6
EOF Grants and Scholarships	40.6	41.2	0.6	1.5
Loan Forgiveness for Mental Health Workers	3.5	3.5	-	-
Other Student Aid Programs	15.3	11.9	(3.4)	(22.0)
<b>Total Student Financial Assistance</b>	<b>\$ 308.9</b>	<b>\$ 327.8</b>	<b>\$ 18.9</b>	<b>6.1</b>
<b>Other Programs</b>				
Capital Grants and Facilities Support <sup>b</sup>	\$ 93.4	\$ 88.1	\$ (5.3)	(5.7)
New Jersey Stem Cell Research Institute	5.5	-	(5.5)	(100.0)
All Other Programs	12.6	10.5	(2.1)	(16.7)
<b>Total Other Programs</b>	<b>\$ 111.5</b>	<b>\$ 98.6</b>	<b>\$ (12.9)</b>	<b>(11.6)</b>
<b>Grand Total Higher Education</b>	<b>\$ 2,172.1</b>	<b>\$ 2,111.1</b>	<b>\$ (61.0)</b>	<b>(2.8)</b>

(a) Includes funding from Supplemental Workforce Fund for Basic Skills of \$20.0 million in FY 2008 and \$14.0 million in FY 2009.

(b) Includes use of off-budget fund balances of \$1.2 million in FY 2008 and \$1.0 million in FY 2009.

# *State of New Jersey*

## *Hospital Funding – State and Federal*

(In Millions)

	<b>FY2008</b>	<b>FY2009</b>	<b>Change</b>	
	<b>Adjusted</b>	<b>Approp.</b>		
	<b>Approp.</b>	<b>Act</b>	<b>\$</b>	<b>%</b>
Charity Care/Health Care Stabilization Fund	\$ 716.0	\$ 649.0	\$ (67.0)	(9.4)
Hospital Relief Offset Payments	203.0	193.0	(10.0)	(4.9)
Cancer Grants	66.5	48.0	(18.5)	(27.8)
Graduate Medical Education	60.0	68.0	8.0	13.3
Hospital Asset Transformation Program	-	12.5	12.5	-
<b>TOTAL</b>	<b>\$ 1,045.5</b>	<b>\$ 970.5</b>	<b>\$ (75.0)</b>	<b>(7.2)</b>

# State of New Jersey

## Comparison of Appropriation Acts

(In Millions)

Fiscal Year	Approp. Act	Change	
		\$	%
<b>2009</b>	\$ <b>32,868.5</b>	\$ <b>(602.4)</b>	<b>(1.8)</b>
2008	33,470.9	2,652.2	8.6
2007	30,818.7	2,898.8	10.4
<b>2006</b>	<b>27,919.9</b>	<b>(107.4)</b>	<b>(0.4)</b>
2005	28,027.3	4,024.1	16.8
2004	24,003.2	601.5	2.6
2003	23,401.7	481.0	2.1
2002	22,920.7	1,501.1	7.0
2001	21,419.7	1,905.3	9.8
2000	19,514.4	1,390.6	7.7
1999	18,123.8	1,337.1	8.0
1998	16,786.6	808.8	5.1
<b>1997</b>	<b>15,977.8</b>	<b>(16.8)</b>	<b>(0.1)</b>
1996	15,994.6	713.9	4.7
<b>1995</b>	<b>15,280.7</b>	<b>(186.2)</b>	<b>(1.2)</b>
1994	15,466.9	841.4	5.8
<b>1993</b>	<b>14,625.5</b>	<b>(26.0)</b>	<b>(0.2)</b>
1992	14,651.5	2,227.7	17.9
1991	12,423.8	428.8	3.6
1990	11,995.0	219.9	1.9
1989	11,775.1	1,378.6	13.3
1988	10,396.5	1,117.1	12.0
1987	9,279.4	598.2	6.9
1986	8,681.2	987.9	12.8
1985	7,693.3	921.5	13.6
1984	6,771.8	590.1	9.5
1983	6,181.7	490.4	8.6
1982	5,691.3	584.2	11.4
1981	5,107.1	455.0	9.8
1980	4,652.1	257.7	5.9
1979	4,394.4	383.7	9.6
1978	4,010.6	1,157.3	40.6
1977	2,853.3	155.2	5.8
<b>1976</b>	<b>2,698.1</b>	<b>(58.0)</b>	<b>(2.1)</b>
1975	2,756.1	370.4	15.5
1974	2,385.7	338.0	16.5
1973	2,047.7	268.4	15.1
1972	1,779.3	221.8	14.2
1971	1,557.5	223.0	16.7
1970	1,334.4	245.9	22.6
1969	1,088.5	95.8	9.7
1968	992.7	116.0	13.2
1967	876.6	237.3	37.1
1966	639.4	55.2	9.5
1965	584.1	40.3	7.4
1964	543.8	44.4	8.9
1963	499.4	32.2	6.9
1962	467.2	35.5	8.2
1961	431.8	26.6	6.6
1960	405.1	16.5	4.2
1959	388.6	46.2	13.5
1958	342.5	21.6	6.7
1957	320.8	36.4	12.8
1956	284.4	49.6	21.1
1955	234.8	15.1	6.9
1954	219.7	9.0	4.3
1953	210.7	33.9	19.2
1952	176.8	12.7	7.7
1951	164.1		

# State of New Jersey

## Comparison of Prior Year Adjusted Appropriations to Appropriation Acts

Fiscal Year	(In Millions)			
	Approp. Act	Prior Year Adjusted Approp. *	----- Change -----	
	\$	\$	\$	%
<b>2009</b>	<b>\$ 32,868.5</b>	<b>\$ 33,908.4</b>	<b>\$ (1,039.9)</b>	<b>(3.1)</b>
2008	33,470.9	31,020.5	2,450.4	7.9
2007	30,818.7	28,087.7	2,731.0	9.7
<b>2006</b>	<b>27,919.9</b>	<b>28,644.8</b>	<b>(724.9)</b>	<b>(2.5)</b>
2005	28,027.3	24,569.1	3,458.2	14.1
2004	24,003.2	23,726.4	276.8	1.2
2003	23,401.7	23,218.6	183.1	0.8
2002	22,920.7	21,842.8	1,077.9	4.9
2001	21,419.7	20,163.5	1,256.2	6.2
2000	19,514.4	18,482.3	1,032.1	5.6
1999	18,123.8	17,141.3	982.5	5.7
1998	16,786.6	16,256.7	529.9	3.3
<b>1997</b>	<b>15,977.8</b>	<b>16,297.3</b>	<b>(319.5)</b>	<b>(2.0)</b>
1996	15,994.6	15,528.7	465.9	3.0
<b>1995</b>	<b>15,280.7</b>	<b>15,608.7</b>	<b>(328.0)</b>	<b>(2.1)</b>
1994	15,466.9	14,737.5	729.4	4.9
<b>1993</b>	<b>14,625.5</b>	<b>14,955.7</b>	<b>(330.2)</b>	<b>(2.2)</b>
1992	14,651.5	12,638.8	2,012.7	15.9
1991	12,423.8	12,165.9	257.9	2.1
1990	11,995.0	11,904.1	90.9	0.8
1989	11,775.1	10,569.4	1,205.7	11.4
1988	10,396.5	9,355.9	1,040.6	11.1
1987	9,279.4	8,959.2	320.2	3.6
1986	8,681.2	7,946.1	735.1	9.3
1985	7,693.3	6,865.2	828.1	12.1
1984	6,771.8	6,289.5	482.3	7.7
1983	6,181.7	5,741.5	440.2	7.7
1982	5,691.3	5,151.3	540.0	10.5
1981	5,107.1	4,739.6	367.5	7.8
1980	4,652.1	4,436.6	215.5	4.9
1979	4,394.4	4,066.5	327.9	8.1
1978	4,010.6	3,486.2	524.4	15.0
1977	2,853.3	2,674.6	178.7	6.7
<b>1976</b>	<b>2,698.1</b>	<b>2,794.4</b>	<b>(96.3)</b>	<b>(3.4)</b>
1975	2,756.1	2,406.9	349.2	14.5
1974	2,385.7	2,090.5	295.2	14.1
1973	2,047.7	1,822.4	225.3	12.4
1972	1,779.3	1,616.6	162.7	10.1
1971	1,557.5	1,370.0	187.5	13.7
1970	1,334.4	1,136.8	197.6	17.4
1969	1,088.5	1,021.0	67.5	6.6
1968	992.7	888.2	104.5	11.8
1967	876.6	654.9	221.7	33.9
1966	639.4	592.9	46.5	7.8
1965	584.1	554.9	29.2	5.3
1964	543.8	505.9	37.9	7.5
1963	499.4	469.3	30.1	6.4
1962	467.2	437.2	30.0	6.9
1961	431.8	412.3	19.5	4.7
1960	405.1	395.9	9.2	2.3
1959	388.6	340.7	47.9	14.1
1958	342.5	324.2	18.3	5.6
1957	320.8	299.8	21.0	7.0
1956	284.4	247.7	36.7	14.8
1955	234.8	185.2	49.6	26.8
1954	219.7	211.9	7.8	3.7
1953	210.7	179.2	31.5	17.6
1952	176.8	168.6	8.2	4.9
<b>1951</b>	<b>164.1</b>	<b>164.5</b>	<b>(0.4)</b>	<b>(0.2)</b>

\* Original Appropriations Act plus Supplementals

## Chapter 4: Budget Details

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REVENUE CERTIFICATION

In accordance with the provisions of Article VIII, Section II, Paragraph 2 of the State Constitution, I hereby certify that the resources listed below are available to support appropriations for the fiscal year ending June 30, 2009.

GENERAL FUND

Undesignated Fund Balance, July 1, 2008	\$ 400,447,000
All Revenues—same as A-2800	18,494,873,000
Transfer to Gubernatorial Elections Fund—same as A-2800	(3,127,000)
Transfer from Surplus Revenue Fund—same as A-2800	<u>214,800,000</u>
Total Resources, General Fund	<u>\$ 19,106,993,000</u>

PROPERTY TAX RELIEF FUND

Undesignated Fund Balance, July 1, 2008	\$ -
All Revenues—same as A-2800	<u>13,383,000,000</u>
Total Resources, Property Tax Relief Fund	<u>\$ 13,383,000,000</u>

GUBERNATORIAL ELECTIONS FUND

Undesignated Fund Balance, July 1, 2008	\$ 1,253,000
All Revenues—same as A-2800	700,000
Transfer from General Fund—same as A-2800	<u>3,127,000</u>
Total Resources, Gubernatorial Elections Fund	<u>\$ 5,080,000</u>

CASINO REVENUE FUND

Undesignated Fund Balance, July 1, 2008	\$ -
All Revenues—same as A-2800	<u>414,759,000</u>
Total Resources, Casino Revenue Fund	<u>\$ 414,759,000</u>

CASINO CONTROL FUND

Undesignated Fund Balance, July 1, 2008	\$ 300,000
All Revenues—same as A-2800	<u>75,139,000</u>
Total Resources, Casino Control Fund	<u>\$ 75,439,000</u>

SURPLUS REVENUE FUND

Undesignated Fund Balance, July 1, 2008	\$ 698,000,000
Transfer to General Fund—same as A-2800	<u>(214,800,000)</u>
Total Resources, Surplus Revenue Fund	<u>\$ 483,200,000</u>

GRAND TOTAL, ALL STATE FUNDS \$ 33,468,471,000

FEDERAL FUNDS

Uncertainty over the amount of federal aid which may be available to the State prevents me from making a like certification in the case of federal funds. Federal monies specified in the appropriations bill cannot be regarded as immediately available for expenditure. Pursuant to NJSA 52:27B-26, I direct that expenditures be permitted under these appropriations only upon determination by the Director of the Division of Budget and Accounting that federal funds to support any expenditure are receivable or have been received by the State.

**ESTIMATE OF RECURRING REVENUE PURSUANT TO EXECUTIVE ORDER NO. 103**

The following revenues contained in the FY09 Appropriations Act are considered recurring revenues for the fiscal year ending June 30, 2009.

<b><u>GENERAL FUND</u></b>	\$ 18,494,873,000
<b><u>PROPERTY TAX RELIEF FUND</u></b>	13,383,000,000
<b><u>GUBERNATORIAL ELECTIONS FUND</u></b>	700,000
<b><u>CASINO REVENUE FUND</u></b>	414,759,000
<b><u>CASINO CONTROL FUND</u></b>	<u>75,139,000</u>
<b>GRAND TOTAL, ALL STATE FUNDS</b>	<b><u><u>\$ 32,368,471,000</u></u></b>

## SUMMARY OF FISCAL YEAR 2008-09 APPROPRIATIONS

(thousands of dollars)

*This table is a summary of appropriations of all State fund sources. It highlights the percent change in appropriations between fiscal years.*

	2008 Adjusted Approp.	2009 Approp Act	----- Change -----	
			Dollar	Percent
<b>GENERAL FUND AND PROPERTY TAX RELIEF FUND</b>				
<b>State Aid and Grants</b>	<b>25,097,731</b>	<b>24,453,890</b>	<b>-643,841</b>	<b>% - 2.6</b>
<b>State Operations</b>				
Executive Branch	3,759,952	3,574,759	-185,193	-4.9
Legislature	76,508	72,915	-3,593	-4.7
Judiciary	629,131	635,467	6,336	1.0
Interdepartmental	2,138,664	2,159,028	20,364	1.0
<b>Total State Operations</b>	<b>6,604,255</b>	<b>6,442,169</b>	<b>-162,086</b>	<b>% - 2.5</b>
<b>Capital Construction</b>	<b>1,280,565</b>	<b>1,206,237</b>	<b>-74,328</b>	<b>-5.8</b>
<b>Debt Service</b>	<b>438,797</b>	<b>270,897</b>	<b>-167,900</b>	<b>-38.3</b>
<b>TOTAL GENERAL FUND</b>				
<b>AND PROPERTY TAX RELIEF FUND</b>	<b>33,421,348</b>	<b>32,373,193</b>	<b>-1,048,155</b>	<b>% - 3.1</b>
<b>CASINO CONTROL FUND</b>	<b>74,039</b>	<b>75,439</b>	<b>1,400</b>	<b>1.9</b>
<b>CASINO REVENUE FUND</b>	<b>412,983</b>	<b>414,759</b>	<b>1,776</b>	<b>0.4</b>
<b>GUBERNATORIAL ELECTIONS FUND</b>	<b>---</b>	<b>5,080</b>	<b>5,080</b>	<b>---</b>
<b>GRAND TOTAL STATE APPROPRIATIONS</b>	<b>33,908,370 *</b>	<b>32,868,471</b>	<b>-1,039,899</b>	<b>% - 3.1</b>

\* Excludes \$684,069 for Long Term Obligation & Capital Expenditure Fund

**APPROPRIATIONS**  
**MAJOR INCREASES AND DECREASES**  
**In Comparison to the Governor's Proposed Fiscal 2009 Budget**  
**(\$ In Millions)**

This table summarizes the major increases and decreases in the Fiscal 2009 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, Tuition Aid Grant Program, Homestead Rebates, payments for State inmates housed in county jails, and funding for New Jersey Transit and State colleges and universities fall in this category.

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

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

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

	<u>House/Sponsor</u>	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
<b>State Operations</b>				
Reduced ERI and Attrition Savings	EXECUTIVE	\$ 51.000		
Federal Title XIX Revenue Shortfall	EXECUTIVE	18.604		
Corporation Business Tax Dedication	EXECUTIVE	3.783		
State Trooper Class of 100 Recruits	EXECUTIVE	3.500		
Rural Patrol	EXECUTIVE	2.964		
Travel and Tourism Advertising and Promotion	EXECUTIVE	1.019		
Reduce Inmate Population by Diversion of Technical Violators to Community Alternative Programs	EXECUTIVE	0.558		
Election Law Enforcement Commission	EXECUTIVE	0.500		
New Jersey Motion Picture and TV Development Commission	(A) LOUIS D. GREENWALD	0.395		
Criminal Disposition Commission	(S) RAYMOND J. LESNIAK	0.150		
Criminal Sentencing Commission	(A) BONNIE WATSON COLEMAN	<u>0.100</u>		
<b>Subtotal - State Operations Increases</b>		<b><u>\$ 82.573</u></b>		
Updated State Employees' Health Benefit Projections	EXECUTIVE		\$ (20.000)	
Updated Prescription Drug Projections	EXECUTIVE		(10.000)	
Updated State Employees' Salary Projections	EXECUTIVE		(10.000)	
Inmate Medical	EXECUTIVE		(5.000)	
Reduced Overtime	(A) LOUIS D. GREENWALD		(5.000)	
	(A) GARY S. SCHAEER			
Updated Dental Program Projections	EXECUTIVE		(5.000)	
Legislature Efficiencies	(S) RICHARD J. CODEY		(2.254)	
Anti-Smoking Program	EXECUTIVE		(2.000)	
	(S) BARBARA BUONO			
State Police Information Technology	EXECUTIVE		(2.000)	

State Police Non-Criminal Records Checks	EXECUTIVE	(1.014)
Office of Information Technology	EXECUTIVE	(1.000)
Stabilization and Reintegration Unit	EXECUTIVE	(1.000)
MidWest Power Litigation	EXECUTIVE	(0.965)
Office of the State Comptroller	EXECUTIVE	(0.800)
Judiciary Drug Court Treatment - Revised Projections	EXECUTIVE	(0.700)
Governor's Contingency Fund	EXECUTIVE	(0.500)
Public Advocate Reduction	EXECUTIVE	(0.500)
State Commission of Investigation	(S) RICHARD J. CODEY	(0.500)
Mutual Agreement Program	EXECUTIVE	(0.437)
Advertising/Media Campaigns	EXECUTIVE	(0.400)
Airport Engineering Costs	EXECUTIVE	(0.400)
Office of the Inspector General	EXECUTIVE	(0.200)
Science and Research Professional Services	EXECUTIVE	(0.200)
Staff Vacancies	EXECUTIVE	(0.150)
Higher Education Student Assistance Authority	EXECUTIVE	(0.148)
Property Management Services - Warehouse Staff	EXECUTIVE	(0.146)
Reductions		
Reduced Utility Costs After Sale of Armories	EXECUTIVE	(0.080)
Department of Transportation Efficiencies	EXECUTIVE	(0.050)
Contract Physical Plant Landscaping Services	EXECUTIVE	<u>(0.033)</u>
<b>Subtotal - State Operations Decreases</b>		<b>\$ (70.477)</b>

**Net Change (State Operations)**

\$ 12.096

**Grants-In-Aid**

Charity Care and Health Care Stabilization	EXECUTIVE	\$ 41.000
Business Employment Incentive Program	EXECUTIVE	15.000
Nursing Home Inflation	EXECUTIVE	11.000
Cooperative Purchasing of Prescription Drugs	EXECUTIVE	9.500
Graduate Medical Education	EXECUTIVE	9.000
NJ FamilyCare Expansion	EXECUTIVE	8.000
Eliminate Medicaid Drug and Hospital Co-payments	EXECUTIVE	7.550
Business Employment Incentive Program and NJ	EXECUTIVE	6.251
Sports and Exposition Authority Debt Service		
Restore Tuition Aid Grants for Students at Independent	EXECUTIVE	5.400
Institutions		
Hospital Relief Offset Payments	(S) RICHARD J. CODEY	5.000
Legal Services of New Jersey	EXECUTIVE	4.000
Cultural Projects	EXECUTIVE	3.254
Rutgers and NJIT Out of State Tuition (2-year phase-in)	EXECUTIVE	3.149
Corporation Business Tax Dedication	EXECUTIVE	2.680
Cancer Funding Restoration	EXECUTIVE	2.000
Early and Periodic Screening, Diagnosis and Treatment	EXECUTIVE	2.000
Reorganize Commerce Commission	EXECUTIVE	0.975
Federal Title XIX Revenue Shortfall	EXECUTIVE	0.640
New Jersey Historical Commission-Agency Grants	EXECUTIVE	0.606
Educational Opportunity Fund	EXECUTIVE	0.592
Center for Hispanic Policy, Research and Development	EXECUTIVE	0.500
Small Business Development Centers	EXECUTIVE	0.500
Cultural Trust	EXECUTIVE	<u>0.121</u>
<b>Subtotal - Grants-In-Aid Increases</b>		<b>\$ 138.718</b>

PAAD - Additional Rebates	EXECUTIVE		\$ (20.000)	
Increased Medicaid Recoveries	EXECUTIVE		(11.000)	
Homestead Rebates- Revised Participation Estimates	EXECUTIVE		(9.500)	
Early Intervention Program Revised Growth Projections	EXECUTIVE		(5.000)	
Durable Medical Equipment Audit Reductions	EXECUTIVE		(4.400)	
Change Drug Pricing Updates from Weekly to Monthly	EXECUTIVE		(3.450)	
Over the Counter Substitution of Drugs	EXECUTIVE		(2.850)	
Hospital Asset Transformation Program	EXECUTIVE		(2.500)	
Reduce Inmate Population by Diversion of Technical	EXECUTIVE		(1.558)	
Violators to Community Alternative Programs				
Fraud and Abuse Initiative - General Assistance and	EXECUTIVE		(1.500)	
Child Care				
Community Care Contracts	EXECUTIVE		(1.000)	
No Reimbursement for Hospital Preventable Errors	EXECUTIVE		(1.000)	
OB/GYN Loan Redemption Program	EXECUTIVE		(1.000)	
Training Related Expenses	EXECUTIVE		(1.000)	
Work Verification	EXECUTIVE		(1.000)	
Substance Abuse Initiatives	EXECUTIVE		(0.435)	
UMDNJ Clinical Affiliation	EXECUTIVE		(0.350)	
Dental Program for Non-Institutionalized Children	EXECUTIVE		(0.250)	
New Jersey After 3	EXECUTIVE		<u>(0.100)</u>	
<b><i>Subtotal - Grants-In-Aid Decreases</i></b>			<b><u>\$ (67.893)</u></b>	
<b><i>Net Change (Grants-In-Aid)</i></b>				<b><u>\$ 70.825</u></b>
<b>State Aid</b>				
Consolidated Municipal Property Tax Relief	EXECUTIVE		\$ 35.465	
Charter School Aid	EXECUTIVE		10.793	
Regional Efficiency Aid Program	(S) NICHOLAS J. SACCO		6.000	
Increase Cost-Sharing Ratios for County Psychiatric	EXECUTIVE		4.723	
Hospitals				
County College Operational Costs	(S) JOSEPH F. VITALE		2.000	
Per Capita Library Aid	EXECUTIVE		<u>0.175</u>	
<b><i>Subtotal - State Aid Increases</i></b>			<b><u>\$ 59.156</u></b>	
Savings from Preschool Payment Change	EXECUTIVE		\$ (43.000)	
School Construction Debt Service Savings	EXECUTIVE		(41.342)	
Updated Social Security Projections	EXECUTIVE		(10.000)	
Extraordinary Aid	EXECUTIVE		(7.300)	
Consolidation Fund	EXECUTIVE		(7.000)	
Homeland Security Capital	EXECUTIVE		(5.000)	
Debt Service Savings for Chapter 12	(S) JOSEPH F. VITALE		(2.000)	
Fraud and Abuse Initiative - General Assistance and	EXECUTIVE		(1.000)	
Child Care				
County Boards of Taxation	EXECUTIVE		(0.575)	
Emergency Fund	EXECUTIVE		<u>(0.200)</u>	
<b><i>Subtotal - State Aid Decreases</i></b>			<b><u>\$ (117.417)</u></b>	
<b><i>Net Change (State Aid)</i></b>				<b><u>\$ (58.261)</u></b>
<b>Capital Construction</b>				
Corporation Business Tax Dedication	EXECUTIVE		\$ 9.302	
New Jersey Building Authority Debt Service	EXECUTIVE		<u>0.906</u>	
<b><i>Subtotal - Capital Construction Increases</i></b>			<b><u>\$ 10.208</u></b>	
<b><i>Net Change (Capital Construction)</i></b>				<b><u>\$ 10.208</u></b>

**Debt Service**

Debt Savings from Retirement and or Defeasance	EXECUTIVE		<u>\$ (135.000)</u>	
<i>Subtotal - Debt Service Decreases</i>			<u>\$ (135.000)</u>	
<i>Net Change (Debt Service)</i>				<u>\$ (135.000)</u>
<b>GRAND TOTAL</b>		<b><u>\$ 290.655</u></b>	<b><u>\$ (390.787)</u></b>	<b><u>\$ (100.132)</u></b>



# VETO MESSAGE AND VETO SUMMARY

## Veto Message

*From Governor Jon Corzine's June 30, 2008 Signing Statement for the Fiscal 2009 Appropriations Act:*

### Line Item Vetoes

The Governor's Budget Message is a recommendation to the Legislature and, under our Constitution, the Legislature has the right and duty to adjust the Governor's proposal as they wish. Under the Constitution, the Governor has the ultimate authority to remove any spending items that he deems inappropriate.

Building on the process that was developed last year and in recognition of the extreme financial circumstances, I am pleased that the Legislature focused its efforts this spring on policy related areas rather than special line item appropriations. As such I do not believe that there are any line item vetoes that I need to make on spending items. There are, however, a number of language provisions that require adjustment that are primarily technical in nature. These changes are appended [below and on the pages that follow].

## Veto Summary

### State of New Jersey

*Executive Department*

#### Page

22 DEPARTMENT OF COMMUNITY AFFAIRS

*70 Government Direction, Management, and Control*

*75 State Subsidies and Financial Aid*

#### STATE AID

##### *State Aid:*

46 "Of the amount appropriated hereinabove for the Special Municipal Aid Act program, an amount not to exceed ((4%)) is allocated for administrative costs for the purpose of monitoring and auditing the municipalities participating in the program, subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is reduced to 3%.

46 "Notwithstanding the provisions of P.L.2002, c.43 as amended (C.52:27BBB-1 et seq.) to the contrary, any municipality receiving State Aid provided through the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) appropriation shall be subject to the provisions of the Special Municipal Aid Act and subject to entering into an agreement with the Department of Community Affairs to provide, among other things, for financial oversight, and subject to an audit by the State Comptroller to be initiated within six months of receipt of such State aid. ((Every Memorandum of Understanding executed by the Local Finance Board and a municipality under the Special Municipal Aid program shall contain a disclosure of all contracts, including the amounts paid to date to such contractors.))"

The language within double parentheses is deleted.

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION  
*40 Community Development and Environmental Management*  
*42 Natural Resource Management*

DIRECT STATE SERVICES

*Direct State Services:*

- 68 "An amount not to exceed \$3,166,000 is allocated from the capital construction appropriation for Shore ((and Recreation Resource)) Protection Fund Projects for costs attributable to planning, operation, and administration of the shore protection program, subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is deleted.

- 69 "An amount not to exceed \$440,000 is allocated from the capital construction appropriation for Shore ((and Recreation Resource)) Protection Fund Projects for the operation and maintenance of the Bayshore Flood Control facility."

The language within double parentheses is deleted.

CAPITAL

*Capital:*

- 70 "21 Shore ((and Recreation Resource)) Protection Fund Projects . . . . . (25,000,000)"

The language within double parentheses is deleted.

- 70 "The amount hereinabove appropriated for Shore ((and Recreation Resource)) Protection Fund Projects is payable from the receipts of the portion of the realty transfer fee directed to be credited to the Shore ((and Recreation Resource)) Protection Fund pursuant to section 1 of P.L.1992, c.148 (C.13:19-16.1)."

The language within double parentheses is deleted.

- 70 "An amount not to exceed \$500,000 is allocated from the capital construction appropriation for Shore ((and Recreation Resource)) Protection Fund Projects for repairs to the Bayshore Flood Control facility."

The language within double parentheses is deleted.

- 70 "An amount not to exceed \$9,000,000 is allocated from the capital construction appropriation for Shore ((and Recreation Resource)) Protection Fund Projects for costs attributable to the operation and maintenance of State parks and forests."

The language within double parentheses is deleted.

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

*20 Physical and Mental Health*

*26 Senior Services*

**GRANTS-IN-AID**

***Grants-In-Aid:***

- 103** "Notwithstanding the provisions of any law or regulation to the contrary, amounts appropriated hereinabove for Medical Day Care Services shall be conditioned upon the following: the daily per diem reimbursement rate for all adult Medical Day Care providers, regardless of setting, shall be set at the average rate for a free-standing Medical Day care facility as of December 1, 2007."

The quoted language is deleted in its entirety.

74 DEPARTMENT OF STATE

*30 Educational, Cultural, and Intellectual Development*

*36 Higher Educational Services*

*2420 University Of Medicine And Dentistry Of New Jersey*

**GRANTS-IN-AID**

***Grants-In-Aid:***

- 185** "Of the amounts hereinabove appropriated for the University of Medicine and Dentistry of New Jersey, there is allocated for Robert Wood Johnson Medical School-Camden for the purpose of faculty support and affiliate hospital (Cooper University Hospital) support, including program and capital support that will benefit patients from Camden and the region, (a) an amount equal to the amount budgeted by the University of Medicine and Dentistry of New Jersey in its fiscal year 2006-2007 budget for Robert Wood Johnson Medical School-Camden for affiliate and related non-salary expense , and (b) ((an amount equal to)) the unexpended balances of the amounts budgeted by the University of Medicine and Dentistry of New Jersey in its fiscal year 2005-2006, 2006-2007, and 2007-2008 budgets for Robert Wood Johnson Medical School-Camden for affiliate and related non-salary expense."

The language within double parentheses is deleted.

# State of New Jersey

## Executive Department

### Page

#### 22 DEPARTMENT OF COMMUNITY AFFAIRS

- 46 The amount of the Special Municipal Aid Act appropriation allocated for administrative, oversight, and audit costs is reduced because a separate language provision requires the State Comptroller to audit the municipalities in the program.
- 46 New language regarding the contents of Special Municipal Aid program memoranda of understanding is deleted as unnecessary since contracts are public records.

#### 42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

- 68 Eliminate revisions to name of Shore Protection Fund, restoring to original name pursuant to amendments to A-2806.
- 69 Eliminate revisions to name of Shore Protection Fund, restoring to original name pursuant to amendments to A-2806.
- 70 Eliminate revisions to name of Shore Protection Fund, restoring to original name pursuant to amendments to A-2806.
- 70 Eliminate revisions to name of Shore Protection Fund, restoring to original name pursuant to amendments to A-2806.
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- 70 Eliminate revisions to name of Shore Protection Fund, restoring to original name pursuant to amendments to A-2806.

#### 46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

- 103 The language pertaining to Medical Day Care Services is eliminated in its entirety, averting the implementation of a new single-rate per diem reimbursement structure in favor of the current payment system that calculates medical day care per diem rates as a percentage of the rates paid to nursing home providers. This language would have prevented any rate increase for medical day care providers, its removal will provide for a partial inflation adjustment tied to the increase provided to the nursing home industry.

#### 74 DEPARTMENT OF STATE

- 185 The phrase "an amount equal to" is deleted to clarify the intent of the language regarding the amount of funds being allocated.

**Respectfully,**

**Jon S. Corzine**  
*Governor*

**Attested,**

**Edward J. McBride, Jr.**  
*Chief Counsel*

**SUMMARY OF CHANGES  
IN THE FISCAL 2009 APPROPRIATIONS ACT  
BY MAJOR AGENCY**

(in Thousands)

**In Comparison To the Fiscal 2008 Adjusted Appropriations**

The table that follows over these next pages summarizes the changes represented in the Fiscal 2009 Appropriations Act in comparison to the previous year's adjusted appropriations. The changes are listed by major agency.

This table is useful for identifying all decreases and increases in appropriations in this year's Budget in comparison to the State's Budget as it stood at the end of the last fiscal year.

<b>IPB Fund</b>	<b>Legislature</b>	<b>Amount</b>
**	2008 Adjusted Appropriations	76,508
 <b>Department</b>		
DSS	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,254)
DSS	<b>Office of Legislative Services - Master Lease</b> Supplemental not continued in fiscal year 2009.	(839)
 <b>State Commission of Investigation</b>		
DSS	<b>State Commission of Investigation</b> Funding for this program is reduced in fiscal 2009.	(500)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(3,593)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>72,915</b>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
--------------------------------------------------------------------------------------------

<b>IPB Fund</b>	<b>Chief Executive</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	5,428
<b>Department</b>		
<b>DSS</b>	<b>Staff Vacancies and Attrition</b>	(135)
	Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	
	<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>	<b>(135)</b>
	<b>FISCAL 2009 APPROPRIATION</b>	<b>5,293</b>

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Agriculture	Amount
**	2008 Adjusted Appropriations	26,673
<b>Department</b>		
SA	<b>School Breakfast - Rightsize Funding Level</b> Reduction based on actual or projected utilization decrease or reduced costs.	(854)
**P**	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(700)
GIA	<b>Conservation Assistance</b> Funding for this program is eliminated in fiscal 2009.	(600)
DSS	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(525)
DSS	<b>Jersey Fresh</b> Funding for this program is reduced in fiscal 2009.	(400)
GIA	<b>Soil and Water Conservation Grants</b> Funding for this program is eliminated in fiscal 2009.	(300)
DSS	<b>Asian Longhorned Beetle Monitoring</b> Funding for this program is eliminated in fiscal 2009.	(150)
DSS	<b>Line of Credit</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(16)
<b>Department</b>		
CC	<b>Chromatographic Diagnostic Equipment</b> Reduction of one-time or other non-recurring costs.	(250)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(3,795)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>22,878</b>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
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<b>IPB Fund</b>	<b>Banking and Insurance</b>	<b>Amount</b>
**	2008 Adjusted Appropriations	72,127
<b>Department</b>		
DSS	Rate Counsel Reduction based on actual or projected utilization decrease or reduced costs.	(975)
DSS	Staff Vacancies Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(812)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(1,787)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>70,340</b>

\*\*P\*\* = Parent Record

<b>SUMMARY OF CHANGES</b> <b>Major Agencies</b> <b>(in thousands)</b>
-----------------------------------------------------------------------------

IPB Fund	<b>Children and Families</b>	Amount
<b>**</b>	<b>2008 Adjusted Appropriations</b>	1,080,910
<b>Department</b>		
<b>GIA</b>	<b>Treatment Homes and Emergency Behavioral Health Services</b> Reduction based on actual or projected utilization decrease or reduced costs.	(11,800)
<b>DSS</b>	<b>Additions, Improvements, and Equipment</b> Reduction of one-time or other non-recurring costs.	(5,000)
<b>DSS</b>	<b>Training Academy</b> Reduction of one-time or other non-recurring costs.	(1,000)
<b>DSS</b>	<b>Rent Savings at 50 E. State St.</b> Reduction of one-time or other non-recurring costs.	(322)
<b>GIA</b>	<b>Limit Contract Funding</b> Funding for this program is reduced in fiscal 2009.	(164)
<b>GIA</b>	<b>Amanda's Easel</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(125)
<b>**P**</b>	<b>Child Welfare Reform Growth</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	3,000
<b>GIA</b>	<b>Community Provider COLA</b> Annualization of fiscal year 2008 costs.	10,204
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(5,207)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>1,075,703</b>

**\*\*P\*\* = Parent Record**

<b>SUMMARY OF CHANGES</b> <b>Major Agencies</b> <b>(in thousands)</b>
-----------------------------------------------------------------------------

IPB Fund	<b>Community Affairs</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	1,307,854
<b>Department</b>		
<b>PTRF</b>	<b>Municipal Efficiency Promotion Aid</b> Funding for this program is eliminated in fiscal 2009.	(34,825)
<b>PTRF</b>	<b>2008 Municipal Property Tax Assistance</b> Funding for this program is eliminated in fiscal 2009.	(32,600)
<b>SA</b>	<b>Municipal Homeland Security Assistance Aid</b> Funding for this program is eliminated in fiscal 2009.	(32,000)
<b>**P**</b>	<b>Consolidated Municipal Property Tax Relief Aid - Pop. &lt; 10,000, reduction 25% held to \$100 tax increase; &gt;10,000 2.42% reduction</b> Funding for this program is reduced in fiscal 2009.	(26,579)
<b>**P**</b>	<b>Consolidation Fund/SHARE</b> Funding for this program is reduced in fiscal 2009.	(16,200)
<b>**P**</b>	<b>Extraordinary Aid</b> Funding for this program is reduced in fiscal 2009.	(9,000)
<b>PTRF</b>	<b>Special Municipal Aid</b> Funding for this program is reduced in fiscal 2009.	(7,650)
<b>SA</b>	<b>Neighborhood Preservation</b> Funding for this program is eliminated in fiscal 2009.	(2,750)
<b>**P**</b>	<b>Regional Efficiency Aid Program (REAP)</b> Funding for this program is reduced in fiscal 2009.	(2,000)
<b>PTRF</b>	<b>Trenton Capital City Aid</b> Funding for this program is reduced in fiscal 2009.	(1,875)
<b>GIA</b>	<b>Boys and Girls Clubs of NJ</b> Funding for this program is eliminated in fiscal 2009.	(1,400)
<b>**P**</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(900)
<b>GIA</b>	<b>Big Brothers/Big Sisters</b> Funding for this program is eliminated in fiscal 2009.	(700)
<b>**P**</b>	<b>Center for Hispanic Policy, Research, and Development</b> Funding for this program is reduced in fiscal 2009.	(400)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(307)
<b>GIA</b>	<b>Center for Great Expectations</b> Legislative add not continued in fiscal year 2009.	(250)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Community Affairs</b>	<b>Amount</b>
<b>GIA</b>	<b>New Jersey State Association of Jewish Federations - Naturally Occurring Retirement Communities (NORC) Pilot Program</b> Legislative add not continued in fiscal year 2009.	(250)
<b>GIA</b>	<b>The Children's Institute, Verona</b> Legislative add not continued in fiscal year 2009.	(200)
<b>DSS</b>	<b>Truth in Renting Booklet</b> Supplemental not continued in fiscal year 2009.	(200)
<b>GIA</b>	<b>Municipal Park Initiative - Park Ranger Program</b> Legislative add not continued in fiscal year 2009.	(200)
<b>GIA</b>	<b>Durand Academy and Community Services, Gloucester County - Land Acquisition</b> Legislative add not continued in fiscal year 2009.	(150)
<b>GIA</b>	<b>Grant to ASPIRA</b> Legislative add not continued in fiscal year 2009.	(150)
<b>GIA</b>	<b>NJ Fire and EMS Crisis Intervention Services Telephone Hotline - UMDNJ</b> Reduction based on actual or projected utilization decrease or reduced costs.	(95)
<b>GIA</b>	<b>Latino Regional Health Fairs and Social Service Programs</b> Legislative add not continued in fiscal year 2009.	(50)
<b>GIA</b>	<b>The Violence Prevention Institute</b> Legislative add not continued in fiscal year 2009.	(50)
<b>DSS</b>	<b>Governor's Smart Growth Policy Council</b> Funding for this program is eliminated in fiscal 2009.	(10)
<b>SA</b>	<b>County Prosecutors and Officials Salary Increase</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	320
<b>GIA</b>	<b>State Rental Assistance Program</b> Program priority growth.	15,000
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(155,471)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>1,152,383</b>

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Corrections	Amount
**	2008 Adjusted Appropriations	1,184,028
<b>Department</b>		
GIA	<b>County Jail Population</b> Reduction based on actual or projected utilization decrease or reduced costs.	(15,000)
**P**	<b>Reduce Inmate Population - Expansion of Alternatives Net of Parole Increase</b> Containment of growth.	(11,155)
DSS	<b>Inmate Medical</b> Reduction based on actual or projected utilization decrease or reduced costs.	(5,000)
DSS	<b>Alternative Method of Providing Shift Overlap</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(4,200)
**P**	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(3,640)
DSS	<b>Stokes Forest Unit</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,804)
DSS	<b>Prison Details</b> Funding for this program is eliminated in fiscal 2009.	(1,663)
DSS	<b>Stabilization and Reintegration Unit</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,000)
DSS	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(20)
DSS	<b>Services Other Than Personal</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	7,899
<b>Parole Board</b>		
**P**	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,392)
DSS	<b>Mutual Agreement Program</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(437)
GIA	<b>Re-entry Case Management Services</b> Legislative add not continued in fiscal year 2009.	(400)

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Corrections</b>	<b>Amount</b>
<b>DSS</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(381)
<b>DSS</b>	<b>Satellite Monitoring</b> Reduction based on actual or projected utilization decrease or reduced costs.	(271)
<b>DSS</b>	<b>Sex Offender Internet Monitoring</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	1,233
<b>Department</b>		
<b>CC</b>	<b>Fire Safety Code Compliance</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(3,936)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<hr/> <b>(42,167)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<hr/> <b>1,141,861</b> <hr/>

**\*\*P\*\* = Parent Record**

<h1 style="margin: 0;">SUMMARY OF CHANGES</h1> <h2 style="margin: 0;">Major Agencies</h2> <p style="margin: 0;">(in thousands)</p>
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<b>IPB Fund</b>	<b>Education</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	11,069,223
<b>Department</b>		
<b>PTRF</b>	<b>Savings from Preschool Payment Change</b> Impact of making final 2008 payment in fiscal 2008.	(43,000)
<b>PTRF</b>	<b>Preschool Expansion Aid Supplemental</b> Supplemental not continued in fiscal year 2009.	(42,383)
<b>GIA</b>	<b>Preschool Expansion and Enhancement Grants</b> Funding for this program is eliminated in fiscal 2009.	(10,000)
<b>**P**</b>	<b>School Building Aid</b> Reduction based on actual or projected utilization decrease or reduced costs.	(9,947)
<b>SA</b>	<b>Nonpublic Supplemental</b> Supplemental not continued in fiscal year 2009.	(5,876)
<b>GIA</b>	<b>Liberty Science Center</b> Funding for this program is reduced in fiscal 2009.	(2,750)
<b>PTRF</b>	<b>Teacher Quality Mentoring</b> Funding for this program is eliminated in fiscal 2009.	(2,500)
<b>**P**</b>	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,489)
<b>DSS</b>	<b>GED Program Restructuring</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,088)
<b>**P**</b>	<b>Charter School Hold Harmless Funding</b> Reduction based on actual or projected utilization decrease or reduced costs.	(707)
<b>DSS</b>	<b>School Funding Formula Development Costs</b> Supplemental not continued in fiscal year 2009.	(500)
<b>**P**</b>	<b>New Jersey After 3</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(500)
<b>SA</b>	<b>Evening School for Foreign-Born Residents</b> Funding for this program is eliminated in fiscal 2009.	(211)
<b>SA</b>	<b>Emergency Fund</b> Funding for this program is eliminated in fiscal 2009.	(200)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(200)
<b>DSS</b>	<b>Professional Development (Teacher Recruitment)</b> Totally or partially shift to other fund source(s).	(135)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Education</b>	<b>Amount</b>
<b>PTRF</b>	<b>Retrofit Subsidy for School Bus Crossing Arms</b> Funding for this program is eliminated in fiscal 2009.	(100)
<b>GIA</b>	<b>Phase-Out Teacher Preparation</b> Funding for this program is reduced in fiscal 2009.	(85)
<b>SA</b>	<b>NJSIAA Steroid Testing</b> Totally or partially shift to other fund source(s).	(50)
<b>PTRF</b>	<b>Unknown District of Residence</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	1,586
<b>**P**</b>	<b>Preschool Formula Aid</b> Program priority growth.	26,908
<b>**P**</b>	<b>School Construction</b> Growth based on increased debt service costs.	39,244
<b>**P**</b>	<b>Formula Aid</b> Program priority growth.	520,109
<b>Teachers Pensions/Social Sec.</b>		
<b>PTRF</b>	<b>Local Retired Employees' Health Benefit (PRM)</b> Reduction based on actual or projected utilization decrease or reduced costs.	(1,010)
<b>**P**</b>	<b>Pensions</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	936
<b>PTRF</b>	<b>Debt Service - Pension Bonds</b> Growth based on increased debt service costs.	9,038
<b>**P**</b>	<b>Social Security Tax (BoE)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	12,400
<b>Department</b>		
<b>CC</b>	<b>Upgrade Fire Alarm/Phase II (Katzenbach)</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(2,400)
<b>CC</b>	<b>Install Fire Suppression System (Regional Day Schools)</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(400)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>484,690</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>11,553,913</b>

**\*\*P\*\* = Parent Record**

<h1 style="margin: 0;">SUMMARY OF CHANGES</h1> <h2 style="margin: 0;">Major Agencies</h2> <p style="margin: 0;">(in thousands)</p>
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<b>IPB Fund</b>	<b>Environmental Protection</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	482,361
<b>Department</b>		
<b>**P**</b>	<b>CBT Dedication for Watershed, Cleanup Administrative Costs, and Diesel Risk Reduction</b> Change mandated by CBT constitutional dedication.	(25,102)
<b>DSS</b>	<b>Parks Management</b> Technical shift between fund sources or between accounts.	(8,763)
<b>GIA</b>	<b>General Fund Advance to the State Recycling Fund</b> Reduction of one-time or other non-recurring costs.	(8,000)
<b>DSS</b>	<b>Enforcement and Compliance Expansion</b> Supplemental not continued in fiscal year 2009.	(1,750)
<b>**P**</b>	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,390)
<b>DSS</b>	<b>Nuclear Emergency Response</b> Supplemental not continued in fiscal year 2009.	(1,069)
<b>DSS</b>	<b>MidWest Power Litigation</b> One-time savings achieved by utilizing available prior year balances.	(965)
<b>DSS</b>	<b>Motor Vehicle Commission - Payments to DEP Forestry for use of Bakers Basin site</b> Totally or partially shift to other fund source(s).	(800)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(775)
<b>SA</b>	<b>County Environmental Health Act</b> Funding for this program is reduced in fiscal 2009.	(753)
<b>DSS</b>	<b>Office of Permit Information and Assistance</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(600)
<b>DSS</b>	<b>Consolidate Office of Business Administration and Eliminate Funded Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(569)
<b>GIA</b>	<b>Lake Hopatcong Commission</b> Totally or partially shift to other fund source(s).	(400)
<b>DSS</b>	<b>Hunting and Fishing Licenses for National Guard and Disabled Veterans</b> Supplemental not continued in fiscal year 2009.	(300)
<b>DSS</b>	<b>Science and Research Professional Services</b> Funding for this program is eliminated in fiscal 2009.	(200)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Environmental Protection	Amount
DSS	<b>Black Bear Management</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(185)
DSS	<b>Reduce New Jersey Environmental Management System (NJEMS)</b> Funding for this program is reduced in fiscal 2009.	(100)
DSS	<b>Natural Lands Trust</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(79)
DSS	<b>New Jersey Coastal and Ocean Protection Council</b> Reduction of one-time or other non-recurring costs.	(75)
DSS	<b>Tidelands Resource Council</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(12)
DSS	<b>Liberty State Park Advisory Committee</b> Funding for this program is eliminated in fiscal 2009.	(11)
DSS	<b>Natural Areas Council</b> Funding for this program is eliminated in fiscal 2009.	(3)
PTRF	<b>Payment in Lieu of Taxes</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	172
<b>Department</b>		
DS	<b>General Obligation Debt Service Costs</b> Growth based on increased debt service costs.	2,945
<b>Highlands</b>		
SA	<b>Highlands Council</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(600)
<b>Pinelands Commission</b>		
**P**	<b>Pinelands Commission</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(780)
<b>Department</b>		
CC	<b>HR-6 Flood Control</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(5,790)
**P**	<b>CBT Dedication for Watershed, Cleanup Administrative Costs, and Diesel Risk Reduction</b> Change mandated by CBT constitutional dedication.	9,302
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(46,652)</b>

\*\*P\*\* = Parent Record

**SUMMARY OF CHANGES**  
**Major Agencies**  
**(in thousands)**

<b>IPB Fund</b>	<b>Environmental Protection</b>	<b>Amount</b>
		<hr/>
<b>FISCAL 2009 APPROPRIATION</b>		<b>435,709</b> <hr/> <hr/>

**\*\*P\*\* = Parent Record**

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
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IPB Fund	<b>Health &amp; Senior Services</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	1,746,340
<b>Department</b>		
<b>**P**</b>	<b>Charity Care</b> Funding for this program is reduced in fiscal 2009.	(67,000)
<b>**P**</b>	<b>Nursing Homes - No Rebasing, Inflation Only If Medicaid Occupancy Greater than 75%</b> Containment of growth.	(33,636)
<b>**P**</b>	<b>PAAD - Additional Rebates</b> Containment of growth.	(21,113)
<b>**P**</b>	<b>Cancer Grants</b> Funding for this program is reduced in fiscal 2009.	(18,500)
<b>CRFG</b>	<b>PAAD - Increase Copay to Six for Generics &amp; Seven for Brand Name Drugs</b> Containment of growth.	(7,000)
<b>GIA</b>	<b>Health Care Subsidy Fund</b> One-time savings achieved by utilizing available prior year balances.	(6,000)
<b>GIA</b>	<b>Medical Day Care Rates</b> Funding for this program is reduced in fiscal 2009.	(6,000)
<b>GIA</b>	<b>Tamiflu Prescription Medicine</b> Reduction of one-time or other non-recurring costs.	(6,000)
<b>CRFG</b>	<b>PAAD – Eliminate Duplicate Coverage of Medicare Part B Drugs</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(4,000)
<b>DSS</b>	<b>Medical Emergency Disaster Preparedness for Bioterrorism (MedPrep)</b> Totally or partially shift to other fund source(s).	(4,000)
<b>GIA</b>	<b>Senior Gold - Require Enrollment in Medicare Part D</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(3,400)
<b>**P**</b>	<b>PAAD/AIDS Drugs - Reduce Pharmacy Reimbursement to AWP -15%</b> Containment of growth.	(2,050)
<b>**P**</b>	<b>Anti-Smoking Program</b> Funding for this program is reduced in fiscal 2009.	(2,000)
<b>**P**</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,070)
<b>GIA</b>	<b>Mobile Health Van Pilot Program</b> Reduction of one-time or other non-recurring costs.	(900)
<b>DSS</b>	<b>Medical Waste Management Program</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(720)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Health &amp; Senior Services</b>	<b>Amount</b>
<b>DSS</b>	<b>West Nile Virus - Laboratory</b> Totally or partially shift to other fund source(s).	(640)
<b>DSS</b>	<b>Advertising/Media Campaigns</b> Funding for this program is reduced in fiscal 2009.	(400)
<b>GIA</b>	<b>Camden Eye Center</b> Legislative add not continued in fiscal year 2009.	(250)
<b>DSS</b>	<b>Increase Medicaid Match for Patient Safety Act Program</b> Totally or partially shift to other fund source(s).	(200)
<b>GIA</b>	<b>Hemophilia Services</b> Legislative add not continued in fiscal year 2009.	(200)
<b>GIA</b>	<b>AIDS Resource Foundation</b> Legislative add not continued in fiscal year 2009.	(100)
<b>GIA</b>	<b>NJ FamilyCare Expansion</b> Program priority growth.	1,500
<b>GIA</b>	<b>Community Provider COLA</b> Annualization of fiscal year 2008 costs.	6,240
<b>**P**</b>	<b>Hospital Asset Transformation Program</b> Program priority growth.	12,500
<b>**P**</b>	<b>Nursing Homes &amp; Long Term Care Alternatives</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	14,927
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<hr/> <b>(150,012)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<hr/> <b>1,596,328</b> <hr/>

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Human Services	Amount
**	2008 Adjusted Appropriations	4,921,626
<b>Addiction Services</b>		
SA	Essex County - County Jail Substance Abuse Programs Funding for this program is reduced in fiscal 2009.	(1,000)
GIA	Community Based Substance Abuse Services Growth to offset loss of non-recurring resource.	2,000
SA	Union County Inmate Rehabilitation Services Program priority growth.	4,000
<b>Medicaid</b>		
GIA	NJ FamilyCare Totally or partially shift to other fund source(s).	(80,000)
**P**	Medicaid Recoveries and Rebates Containment of growth.	(30,300)
**P**	Medicaid Fraud, Waste and Abuse Initiative Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(29,400)
GIA	Reduce Pharmacy Reimburse to AWP-15% Containment of growth.	(8,700)
GIA	Children's Partial Hospitalization Rate Reduction Funding for this program is reduced in fiscal 2009.	(6,047)
**P**	Hospital Relief Offset Payments Funding for this program is reduced in fiscal 2009.	(5,000)
GIA	Decrease Drug Pricing from Weekly to Monthly Containment of growth.	(3,450)
GIA	Over the Counter Substitution of Drugs Containment of growth.	(2,850)
GIA	Medicaid Day Specific Eligibility Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,750)
GIA	No Reimbursement for Hospital Preventable Errors Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,000)
DSS	Reduce Professional Standards Review Organization and Drug Utilization Review Board Reduction based on actual or projected utilization decrease or reduced costs.	(312)
GIA	Dispensing Fee - Modify Impact/Consult Fees Funding for this program is reduced in fiscal 2009.	(275)

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Human Services	Amount
GIA	<b>More Efficient Management of High Cost Medicaid Cases</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(250)
GIA	<b>Reduce Income Eligibility Vendor Costs</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(230)
GIA	<b>Part D Premiums to MAVA</b> Technical shift between fund sources or between accounts.	(165)
GIA	<b>Early and Periodic Screening, Diagnosis and Treatment (EPSDT)</b> Program priority growth.	2,000
**P**	<b>Graduate Medical Education (GME)</b> Program priority growth.	4,000
GIA	<b>NJ FamilyCare Expansion</b> Program priority growth.	6,500
**P**	<b>Medicaid - General Medical Services</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	37,348
<b>Mental Health Services</b>		
**P**	<b>State Share of Psychiatric Hospital Cost from 90% to 87.5%</b> Funding for this program is reduced in fiscal 2009.	(1,575)
GIA	<b>Community Care Contracts</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,000)
GIA	<b>UMDNJ Clinical Affiliation</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(350)
GIA	<b>National Alliance on Mental Illness - New Jersey</b> Legislative add not continued in fiscal year 2009.	(90)
SA	<b>Aid to County Psychiatric Hospitals</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	3,352
GIA	<b>Olmstead Support and Community Care</b> Annualization of fiscal year 2008 costs.	5,000
GIA	<b>Mental Health Olmstead</b> Program priority growth.	15,000
<b>Family Development</b>		
GIA	<b>Abbott Child Care Reform Phase I</b> Annualization of fiscal year 2008 savings.	(4,500)

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Human Services</b>	<b>Amount</b>
<b>GIA</b>	<b>Abbott Wraparound Child Care Reform - Eliminate Subsidy for Incomes 250% - 300% of Poverty</b> Funding for this program is reduced in fiscal 2009.	(4,270)
<b>**P**</b>	<b>Fraud and Abuse Initiative - General Assistance and Child Care</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,500)
<b>GIA</b>	<b>Training Related Expenses</b> Reduction based on actual or projected utilization decrease or reduced costs.	(1,000)
<b>GIA</b>	<b>Work Verification</b> Reduction based on actual or projected utilization decrease or reduced costs.	(1,000)
<b>GIA</b>	<b>Substance Abuse Initiatives</b> Reduction based on actual or projected utilization decrease or reduced costs.	(435)
<b>GIA</b>	<b>Home-Based Child Care Centers</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	2,600
<b>SA</b>	<b>Consolidation of Newark General Assistance Program into Essex County</b> Program priority growth.	3,199
<b>SA</b>	<b>General Assistance (GA) and Supplemental Security Income (SSI)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	10,638
<b>Disability Services</b>		
<b>GIA</b>	<b>Eastern Christian Children's Retreat</b> Legislative add not continued in fiscal year 2009.	(175)
<b>Developmental Disabilities</b>		
<b>GIA</b>	<b>Group Homes Client Contribution to Care Resources</b> Totally or partially shift to other fund source(s).	(6,900)
<b>GIA</b>	<b>Autism Registry</b> Supplemental not continued in fiscal year 2009.	(500)
<b>GIA</b>	<b>New Jersey Center for Outreach Services for the Autism Community (COSAC) - Adult Resources Initiative Project</b> Legislative add not continued in fiscal year 2009.	(350)
<b>GIA</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(330)
<b>GIA</b>	<b>Dental Program for Non-Institutionalized Children</b> Reduction based on actual or projected utilization decrease or reduced costs.	(250)
<b>GIA</b>	<b>New Jersey Institute of Disabilities</b> Legislative add not continued in fiscal year 2009.	(250)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	<b>Human Services</b>	<b>Amount</b>
GIA	<b>Aspergers Syndrome Vocational, Educational and Social Training (VEST) Program, Jewish Family Services Inc., Teaneck</b> Legislative add not continued in fiscal year 2009.	(100)
GIA	<b>Community Services Waiting List</b> Annualization of fiscal year 2008 costs.	1,368
GIA	<b>Olmstead Placements</b> Annualization of fiscal year 2008 costs.	15,466
**P**	<b>Federal Title XIX Revenue</b> Growth to offset loss of federal or other non-state funding.	19,244
**P**	<b>FY2009 Olmstead Placements - Community Structure and Staff</b> Program priority growth.	24,044
<b>Central Office</b>		
**P**	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(10,739)
DSS	<b>Reduced Overtime</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(5,000)
DSS	<b>Federal Maximization Contract</b> Supplemental not continued in fiscal year 2009.	(1,143)
DSS	<b>Biennial Software License</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(692)
**P**	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(440)
DSS	<b>Health Care Billing System</b> Reduction of one-time or other non-recurring costs.	(375)
GIA	<b>Unit Dose and Consulting Pharmacy</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	895
GIA	<b>Community Provider COLA</b> Annualization of fiscal year 2008 costs.	23,534
<b>Central Office</b>		
CC	<b>Replace Underground Water Lines-Hunterdon</b> Reduction of one-time or other non-recurring costs.	(2,800)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(38,305)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>4,883,321</b>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
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<b>IPB Fund</b>	<b>Labor and Workforce Development</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	398,670
<b>Department</b>		
<b>GIA</b>	<b>Unemployment Compensation Fund</b> Supplemental not continued in fiscal year 2009.	(260,000)
<b>GIA</b>	<b>Vocational Rehabilitation</b> Funding for this program is reduced in fiscal 2009.	(500)
<b>DSS</b>	<b>Council on Gender Parity</b> Totally or partially shift to other fund source(s).	(72)
<b>DSS</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(20)
<b>GIA</b>	<b>Community Provider COLA</b> Annualization of fiscal year 2008 costs.	289
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(260,303)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>138,367</b>

**\*\*P\*\* = Parent Record**

<b>SUMMARY OF CHANGES</b> <b>Major Agencies</b> <b>(in thousands)</b>
-----------------------------------------------------------------------------

IPB Fund	<b>Law &amp; Public Safety</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	635,425
<b>Department</b>		
<b>**P**</b>	<b>Rural Patrol</b> Totally or partially shift to other fund source(s).	(17,536)
<b>SA</b>	<b>Spring 2007 Flood Relief</b> Reduction of one-time or other non-recurring costs.	(8,000)
<b>**P**</b>	<b>Staff Reduction</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(6,892)
<b>SA</b>	<b>Presidential Primary</b> Supplemental not continued in fiscal year 2009.	(2,500)
<b>DSS</b>	<b>State Police Information Technology</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,000)
<b>DSS</b>	<b>State Police Non-Criminal Records Checks</b> Technical shift between fund sources or between accounts.	(1,014)
<b>DSS</b>	<b>Motor Vehicle Commission Reimbursement for Trooper Drunk Driving Program</b> Totally or partially shift to other fund source(s).	(612)
<b>**P**</b>	<b>Victims of Crime Compensation Board Reduction Plan</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(580)
<b>DSS</b>	<b>Division of State Police - Line of Credit</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(400)
<b>DSS</b>	<b>Division of Criminal Justice - Police Training Commission</b> Funding for this program is reduced in fiscal 2009.	(387)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(343)
<b>DSS</b>	<b>Alcoholic Beverage Control</b> Totally or partially shift to other fund source(s).	(318)
<b>GIA</b>	<b>Sex Offender Internet Registry</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(300)
<b>DSS</b>	<b>Human Relations Council Staff</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(250)
<b>**P**</b>	<b>Criminal Disposition Commission</b> Funding for this program is reduced in fiscal 2009.	(150)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	<b>Law &amp; Public Safety</b>	Amount
<b>GIA</b>	<b>Victims of Crime Compensation Agency - New Jersey Crime Victims Law Center</b> Legislative add not continued in fiscal year 2009.	(50)
<b>**P**</b>	<b>Division of State Police</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(10)
<b>CCF</b>	<b>Gaming - Salary Costs</b> Program priority growth.	1,400
<b>Election Law Enforcement</b>		
<b>**P**</b>	<b>Elimination Law Enforcement Reduction Plan</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(250)
<b>GEF</b>	<b>Gubernatorial Primary Election Costs</b> Program priority growth.	5,080
<b>Juvenile Justice Commission</b>		
<b>DSS</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,328)
<b>DSS</b>	<b>Alternative Method of Providing Shift Overlap</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(604)
<b>GIA</b>	<b>State Incentive Program</b> Funding for this program is reduced in fiscal 2009.	(600)
<b>GIA</b>	<b>Community Provider COLA</b> Annualization of fiscal year 2008 costs.	288
<b>Juvenile Justice Commission</b>		
<b>CC</b>	<b>Sewer Connection to MUA/Plant Decommissioning</b> Reduction of one-time or other non-recurring costs.	(2,800)
<b>CC</b>	<b>Critical Repairs-Commission Facilities</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(500)
<b>CC</b>	<b>Fire Life Safety-Phase III</b> Reduction of one-time or other non-recurring costs.	(500)
<b>Office of Homeland Security and Preparedness</b>		
<b>SA</b>	<b>Homeland Security Capital Reduction</b> Reduction of one-time or other non-recurring costs.	(5,000)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(46,156)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>589,269</b>

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Military & Veterans Affairs	Amount
**	2008 Adjusted Appropriations	96,677
<b>Department</b>		
DSS	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(813)
DSS	<b>National Guard Armorer</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(555)
DSS	<b>Vietnam Veterans Memorial</b> Reduction of one-time or other non-recurring costs.	(250)
**P**	<b>Energy Conservation Savings</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(231)
DSS	<b>Excess Resident Contribution and Federal Reimbursement</b> Supplemental not continued in fiscal year 2009.	(223)
DSS	<b>National Guard State Active Duty</b> Reduction based on actual or projected utilization decrease or reduced costs.	(50)
GIA	<b>Civil Air Patrol</b> Funding for this program is eliminated in fiscal 2009.	(35)
GIA	<b>Part D Premiums from Medicaid</b> Technical shift between fund sources or between accounts.	165
<b>Department</b>		
CC	<b>World War II Memorial</b> Reduction of one-time or other non-recurring costs.	(1,000)
CC	<b>Upgrade Fire Alarm System-Paramus Veterans Home</b> Reduction of one-time or other non-recurring costs.	(318)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(3,310)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>93,367</b>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
--------------------------------------------------------------------------------------------

<b>IPB Fund</b>	<b>Personnel</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	22,824
 <b>Department</b>		
<b>**P**</b>	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,219)
<b>DSS</b>	<b>Consolidation of the Department of Personnel</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,008)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(2,227)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>20,597</b>

**\*\*P\*\* = Parent Record**

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
--------------------------------------------------------------------------------------------

<b>IPB Fund</b>	<b>Public Advocate</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	20,357
<b>Department</b>		
<b>**P**</b>	<b>Layoff of Personnel/Elimination of Funded Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,628)
<b>DSS</b>	<b>Reimbursement of Administrative Expenses from Rate Counsel</b> Technical shift between fund sources or between accounts.	(194)
<b>DSS</b>	<b>Increased Mediation Services Revenue</b> Totally or partially shift to other fund source(s).	(50)
<b>Office of Child Advocate</b>		
<b>**P**</b>	<b>Public Advocate Reduction</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(669)
<b>DSS</b>	<b>Operational Accounts</b> One-time savings achieved by utilizing available prior year balances.	(150)
<b>Rate Counsel</b>		
<b>DSS</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(700)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(3,391)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>16,966</b>

**\*\*P\*\* = Parent Record**

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
--------------------------------------------------------------------------------------------

IPB Fund	State	Amount
**	<b>2008 Adjusted Appropriations</b>	1,344,252
<b>Department</b>		
SA	<b>Eliminate Presidential Primary Funding</b> Reduction of one-time or other non-recurring costs.	(10,515)
**P**	<b>Council on the Arts - Cultural Projects</b> Funding for this program is reduced in fiscal 2009.	(2,669)
GIA	<b>Newark Museum</b> Totally or partially shift to other fund source(s).	(2,270)
GIA	<b>Battleship New Jersey Museum Reduction</b> Totally or partially shift to other fund source(s).	(1,300)
DSS	<b>State Museum Re-Opening</b> Supplemental not continued in fiscal year 2009.	(1,275)
GIA	<b>Office of Faith Based Initiatives</b> Funding for this program is reduced in fiscal 2009.	(1,000)
**P**	<b>Travel &amp; Tourism</b> Funding for this program is reduced in fiscal 2009.	(836)
DSS	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(559)
**P**	<b>Historical Commission</b> Funding for this program is reduced in fiscal 2009.	(496)
GIA	<b>NJ Symphony</b> Legislative add not continued in fiscal year 2009.	(250)
GIA	<b>Paper Mill Playhouse</b> Legislative add not continued in fiscal year 2009.	(250)
GIA	<b>Rutgers Camden Center for the Arts -- Walter K. Gordon Theater</b> Legislative add not continued in fiscal year 2009.	(250)
GIA	<b>New Jersey Performing Arts Center</b> Legislative add not continued in fiscal year 2009.	(250)
GIA	<b>Grants in New Jersey History</b> Funding for this program is eliminated in fiscal 2009.	(189)
DSS	<b>Amistad Commission</b> One-time savings achieved by utilizing available prior year balances.	(150)
GIA	<b>Museum for Contemporary Sciences</b> Legislative add not continued in fiscal year 2009.	(150)
DSS	<b>Line of Credit</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(140)

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	State	Amount
GIA	<b>New Jersey Council for the Humanities</b> Funding for this program is reduced in fiscal 2009.	(135)
GIA	<b>Thomas Edison Museum</b> Legislative add not continued in fiscal year 2009.	(100)
GIA	<b>Montclair Art Museum</b> Legislative add not continued in fiscal year 2009.	(100)
GIA	<b>New Jersey Ellis Island Foundation</b> Funding for this program is reduced in fiscal 2009.	(100)
**P**	<b>New Jersey Cultural Trust</b> Funding for this program is reduced in fiscal 2009.	(99)
GIA	<b>Lenape Regional Performing Arts Center</b> Legislative add not continued in fiscal year 2009.	(75)
GIA	<b>Bergen Performing Arts Center</b> Legislative add not continued in fiscal year 2009.	(75)
GIA	<b>Oskar Schindler Performing Arts Center</b> Legislative add not continued in fiscal year 2009.	(50)
GIA	<b>Dante Hall Theater of the Arts</b> Legislative add not continued in fiscal year 2009.	(50)
DSS	<b>9-11 Memorial Commission</b> One-time savings achieved by utilizing available prior year balances.	(50)
GIA	<b>Boheme Opera New Jersey</b> Legislative add not continued in fiscal year 2009.	(25)
DSS	<b>Office of the Secretary of State</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(6)
DSS	<b>State Museum</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(5)
DSS	<b>Voter Information Prior to Election for Green Acres, Farmland, Blue Acres and Historic Preservation</b> Supplemental not continued in fiscal year 2009.	(5)
DSS	<b>Voter Information Prior to Election for Stem Cell Research</b> Supplemental not continued in fiscal year 2009.	(5)
<b>Public Broadcast Authority</b>		
DSS	<b>New Jersey Network</b> Totally or partially shift to other fund source(s).	(1,650)

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	State	Amount
<b>State Library</b>		
<b>**P**</b>	<b>Per Capita Library Aid</b> Funding for this program is reduced in fiscal 2009.	(692)
<b>SA</b>	<b>Public Library Project Fund</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(2)
<b>Commission on Higher Education</b>		
<b>DSS</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(67)
<b>GIA</b>	<b>New Jersey Transfer</b> Totally or partially shift to other fund source(s).	(11)
<b>Higher Ed Student Assistance Auth.</b>		
<b>GIA</b>	<b>Continued Phase-Out of Outstanding Scholars Recruitment Program (OSRP)</b> Funding for this program is reduced in fiscal 2009.	(3,386)
<b>**P**</b>	<b>HESAA -- Reallocating and Reduction</b> Totally or partially shift to other fund source(s).	(576)
<b>GIA</b>	<b>Part-Time Tuition Aid Grants for County Colleges</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	476
<b>**P**</b>	<b>NJSTARS I &amp; II: Net of New Family Income Cap</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	893
<b>GIA</b>	<b>Tuition Aid Grants (TAG)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	20,260
<b>Senior Public Colleges</b>		
<b>**P**</b>	<b>Senior Publics - Base Operating Support</b> Funding for this program is reduced in fiscal 2009.	(89,338)
<b>**P**</b>	<b>Senior Publics - Continuation of FY 2007-Initiated Tuition Policy for Out-of-State Undergraduate Students</b> This program could be supported by non-state resources in fiscal year 2009.	(3,934)
<b>Comm Higher Ed - Equal Opportunity</b>		
<b>GIA</b>	<b>Educational Opportunity Fund</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	592

**\*\*P\*\* = Parent Record**

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
--------------------------------------------------------------------------------------------

IPB Fund	State	Amount
<b>Rutgers, The State Univ.</b>		
<b>GIA</b>	<b>Oral History Archive</b>	(100)
	Legislative add not continued in fiscal year 2009.	
<b>Agricul Exper Stat-Rutgers</b>		
<b>GIA</b>	<b>Food Innovation Research and Extension Center</b>	(300)
	Legislative add not continued in fiscal year 2009.	
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(101,264)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>1,242,988</b>

**\*\*P\*\* = Parent Record**

<b>SUMMARY OF CHANGES</b> <b>Major Agencies</b> <b>(in thousands)</b>
-----------------------------------------------------------------------------

IPB Fund	<b>Transportation</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	1,332,096
<b>Department</b>		
<b>**P**</b>	<b>Snow Removal - Winter Operations</b> Supplemental not continued in fiscal year 2009.	(8,117)
<b>DSS</b>	<b>Maintenance Operations - Commercial Vehicle Enforcement Fund</b> Totally or partially shift to other fund source(s).	(5,150)
<b>DSS</b>	<b>Shift to Federal Resources</b> Totally or partially shift to other fund source(s).	(4,680)
<b>DSS</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,314)
<b>DSS</b>	<b>Airport Engineering Costs</b> Funding for this program is reduced in fiscal 2009.	(400)
<b>DSS</b>	<b>Snow Removal - Winter Operations</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(300)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(83)
<b>DSS</b>	<b>Highway Memorial Signage</b> Supplemental not continued in fiscal year 2009.	(3)
<b>NJ Transit</b>		
<b>CRFS</b>	<b>Reduction in Funding for Elderly and Handicapped Transportation Services</b> Reduction based on corresponding reduction in revenue.	(3,910)
<b>**P**</b>	<b>NJ Transit Operating Subsidy</b> Program priority growth.	60,000
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>36,043</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>1,368,139</b>

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Treasury</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	4,167,078
 <b>Department</b>		
<b>**P**</b>	<b>Asset Monetization Legal Fees</b> Supplemental not continued in fiscal year 2009.	(6,651)
<b>**P**</b>	<b>Motor Vehicle Commission Paper Processing Costs - Division of Revenue</b> Totally or partially shift to other fund source(s).	(4,800)
<b>DSS</b>	<b>Taxation Data Warehousing</b> Supplemental not continued in fiscal year 2009.	(3,865)
<b>DSS</b>	<b>Taxation Collection Services</b> Supplemental not continued in fiscal year 2009.	(3,500)
<b>**P**</b>	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,845)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,510)
 <b>Office of Information Technology</b>		
<b>DSS</b>	<b>eCATS Timekeeping System</b> Reduction of one-time or other non-recurring costs.	(5,800)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(2,665)
<b>GIA</b>	<b>Enhanced 911 Grants</b> Reduction based on actual or projected utilization decrease or reduced costs.	(2,500)
<b>**P**</b>	<b>Verizon Contract Savings</b> Reduction based on actual or projected utilization decrease or reduced costs.	(2,230)
<b>DSS</b>	<b>Network Infrastructure</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(1,700)
<b>DSS</b>	<b>Network Infrastructure</b> Totally or partially shift to other fund source(s).	(1,500)
<b>DSS</b>	<b>Email Systems Consolidation</b> Reduction of one-time or other non-recurring costs.	(1,100)
<b>DSS</b>	<b>Office of Emergency Telecommunications Services (OETS)</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(200)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	<b>Treasury</b>	Amount
<b>State Legal Services</b>		
<b>**P**</b>	<b>Legal Services of New Jersey</b> Program priority growth.	4,000
<b>Commerce &amp; Economic Growth Commission</b>		
<b>**P**</b>	<b>Small Business Development Centers</b> Funding for this program is reduced in fiscal 2009.	(500)
<b>**P**</b>	<b>Reorganize Commerce Commission</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(475)
<b>**P**</b>	<b>New Jersey Motion Picture and Television Development Commission</b> Funding for this program is reduced in fiscal 2009.	(145)
<b>**P**</b>	<b>Business Employment Incentive Program (BEIP)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	42,000
<b>Science and Technology</b>		
<b>GIA</b>	<b>Science and Technology Grants</b> Funding for this program is reduced in fiscal 2009.	(1,500)
<b>GIA</b>	<b>New Jersey Manufacturing Extension Program</b> Funding for this program is reduced in fiscal 2009.	(1,200)
<b>DSS</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(100)
<b>Board of Public Utilities</b>		
<b>DSS</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(600)
<b>**P**</b>	<b>Operational Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(270)
<b>Office of Administrative Law</b>		
<b>**P**</b>	<b>Motor Vehicles Commission - Charges for Hearing Services</b> Totally or partially shift to other fund source(s).	(500)
<b>**P**</b>	<b>Staff Vacancies and Attrition</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(410)
<b>DSS</b>	<b>Court Room Improvements/Temporary Services</b> Reduction of one-time or other non-recurring costs.	(200)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Treasury	Amount
<b>**P**</b>	<b>Increase for Administrative Law Judges</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	423
<b>Public Defender</b>		
<b>DSS</b>	<b>Staff Vacancies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(1,507)
<b>Treasury-Municipal &amp; County Aid</b>		
<b>SA</b>	<b>County Solid Waste Debt Service Aid</b> Reduction based on actual or projected utilization decrease or reduced costs.	(5,000)
<b>SA</b>	<b>County Boards of Taxation</b> Funding for this program is reduced in fiscal 2009.	(575)
<b>SA</b>	<b>South Jersey Port Corporation Property Tax Reserve Fund (PILOT)</b> Reduction based on actual or projected utilization decrease or reduced costs.	(110)
<b>**P**</b>	<b>Pensions</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	733
<b>PTRF</b>	<b>Municipal Retired Employees' Health Benefits (PRM)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	762
<b>PTRF</b>	<b>Pension Bonds</b> Growth based on increased debt service costs.	891
<b>Treasury-Homestead Rebates</b>		
<b>**P**</b>	<b>Homestead Rebates for Homeowners</b> Funding for this program is reduced in fiscal 2009.	(416,500)
<b>PTRG</b>	<b>Homestead Rebates for Tenants</b> Funding for this program is reduced in fiscal 2009.	(127,000)
<b>PTRF</b>	<b>Senior/Disabled Citizens' and Veterans' Tax Deductions</b> Reduction based on actual or projected utilization decrease or reduced costs.	(5,000)
<b>PTRG</b>	<b>Senior/Disabled Citizens' Property Tax Freeze</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	16,000
<b>Office of Inspector General</b>		
<b>**P**</b>	<b>Office of the Inspector General</b> Reduction based on actual or projected utilization decrease or reduced costs.	(660)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Treasury	Amount
<b>Office of State Comptroller</b>		
DSS	<b>Office of the State Comptroller</b> Reduction based on actual or projected utilization decrease or reduced costs.	(800)
<b>Miscellaneous Higher Ed.</b>		
GIA	<b>New Jersey Stem Cell Research Institute</b> Funding for this program is eliminated in fiscal 2009.	(5,500)
GIA	<b>Equipment Leasing Fund</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(4,913)
GIA	<b>Statewide Systemic Initiative to Reform Mathematics and Science Education</b> Funding for this program is eliminated in fiscal 2009.	(1,200)
GIA	<b>Dormitory Safety Trust Fund</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(294)
GIA	<b>New Jersey Marine Sciences Consortium</b> Totally or partially shift to other fund source(s).	(150)
GIA	<b>Garden State Savings Bond Incentive</b> Reduction based on actual or projected utilization decrease or reduced costs.	(85)
GIA	<b>Higher Education Technology Infrastructure Bond</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(79)
GIA	<b>Higher Education Facilities Trust</b> Growth based on increased debt service costs.	2
**P**	<b>Higher Education Capital Improvement Program</b> Growth to offset loss of non-recurring resource.	245
<b>Higher Ed - Indepen. Colleges &amp; Oth</b>		
GIA	<b>Independent Colleges and Universities Operating Support</b> Funding for this program is reduced in fiscal 2009.	(2,044)
<b>Higher Ed - County Colleges</b>		
**P**	<b>County College Operating Support</b> Funding for this program is reduced in fiscal 2009.	(14,344)
**P**	<b>Pensions</b> Reduction based on actual or projected utilization decrease or reduced costs.	(158)
SA	<b>Social Security Tax</b> Reduction based on actual or projected utilization decrease or reduced costs.	(75)
SA	<b>Debt Service - Pension Bonds</b> Growth based on increased debt service costs.	9

\*\*P\*\* = Parent Record

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

IPB Fund	Treasury	Amount
SA	<b>County College Retired Employees' Health Benefit (PRM)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	213
**P**	<b>Chapter 12 Debt Service</b> Growth based on increased debt service costs.	4,562
SA	<b>Supplemental Workforce Fund for Basic Skills to County Colleges</b> Growth to offset loss of non-recurring resource.	6,000
<b>Department</b>		
**P**	<b>Debt Savings from Retirement and or Defeasance</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(135,000)
DS	<b>General Obligation Debt Service Costs</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(35,845)
<b>Office of Information Technology</b>		
CC	<b>Data Storage and Infrastructure</b> Reduction of one-time or other non-recurring costs.	(3,000)
CC	<b>Critical Facility Preservation</b> Reduction of one-time or other non-recurring costs.	(2,000)
CC	<b>Garden State Network Security and Core Strengthening</b> Reduction of one-time or other non-recurring costs.	(1,500)
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<hr/> <b>(735,265)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<hr/> <b>3,431,813</b> <hr/>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b>  <b>Major Agencies</b>  (in thousands)</p>
---------------------------------------------------------------------------------

IPB Fund	Miscellaneous Commissions	Amount
**	2008 Adjusted Appropriations	1,456
	<b>FISCAL 2009 APPROPRIATION</b>	<b>1,456</b>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
--------------------------------------------------------------------------------------------

<b>IPB Fund</b>	<b>Inter-departmental</b>	<b>Amount</b>
<b>**</b>	<b>2008 Adjusted Appropriations</b>	3,971,395
<b>Employee Benefits</b>		
<b>**P**</b>	<b>State Employees' Health Benefit, Prescription Drug, and Dental Program</b> Reduction based on actual or projected utilization decrease or reduced costs.	(42,449)
<b>**P**</b>	<b>Employee Actions - Interdepartmental Account Savings</b> Funding for this program is reduced in fiscal 2009.	(6,636)
<b>**P**</b>	<b>Pension Bonds</b> Growth based on increased debt service costs.	7,108
<b>**P**</b>	<b>Pensions</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	8,948
<b>**P**</b>	<b>Health Benefits Fund (PRM)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	16,414
<b>**P**</b>	<b>State Taxes (FICA, UI and TDI)</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	21,412
<b>Other Inter-departmental Accounts</b>		
<b>**P**</b>	<b>Business Employment Incentive Program (BEIP) Debt Service</b> Supplemental not continued in fiscal year 2009.	(11,695)
<b>DSS</b>	<b>Interest on Short Term Notes</b> Reduction based on actual or projected utilization decrease or reduced costs.	(10,000)
<b>GIA</b>	<b>New Jersey Sports and Exposition Authority</b> Supplemental not continued in fiscal year 2009.	(5,464)
<b>GIA</b>	<b>Liberty Science Center</b> Debt service savings due to bond refunding, interest earnings, or reduced costs.	(1,064)
<b>DSS</b>	<b>Governor's Contingency Fund</b> Funding for this program is reduced in fiscal 2009.	(500)
<b>GIA</b>	<b>Municipal Rehabilitation Debt Service</b> Growth based on increased debt service costs.	1
<b>DSS</b>	<b>Catastrophic Illness in Children Relief Fund-Employer Contribution</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	32
<b>GIA</b>	<b>New Jersey Sports and Exposition Authority Debt Service</b> Growth based on increased debt service costs.	714
<b>DSS</b>	<b>Interest on Interfund Borrowing</b> Growth based on increased debt service costs.	872

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Inter-departmental</b>	<b>Amount</b>
<b>**P**</b>	<b>Debt Service</b> Growth based on increased debt service costs.	6,251
<b>Rentals and Utilities</b>		
<b>DSS</b>	<b>Procurement Efficiencies</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(25,000)
<b>DSS</b>	<b>Leases and Tenant Expenses - Motor Vehicles Commission</b> Totally or partially shift to other fund source(s).	(8,138)
<b>**P**</b>	<b>Marlboro and Greystone Maintenance Costs</b> Supplemental not continued in fiscal year 2009.	(1,500)
<b>DSS</b>	<b>Property and Casualty Insurance</b> Reduction based on actual or projected utilization decrease or reduced costs.	(582)
<b>DSS</b>	<b>New Jersey Network</b> Totally or partially shift to other fund source(s).	(526)
<b>**P**</b>	<b>Central Rent</b> Program costs will be reduced through operational efficiencies or absorbed within the agency's normal operations funded from its base budget.	(401)
<b>DSS</b>	<b>Economic Development Authority</b> Growth based on increased debt service costs.	93
<b>**P**</b>	<b>Electricity and Natural Gas</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	9,400
<b>**P**</b>	<b>Ancora/Greystone Facilities</b> Growth based on increased debt service costs.	10,992
<b>Salary &amp; Other Benefits (Adjustmts)</b>		
<b>**P**</b>	<b>Early Retirement Incentive Program</b>	(84,878)
<b>DSS</b>	<b>Unused Sick Leave Payments</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	2,800
<b>GIA</b>	<b>Salary Program - Senior Public Colleges and Universities</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	38,485
<b>**P**</b>	<b>Salary Increases - State Employees</b> Growth mandated by statute, court decision, contract or entitlement program, inflation or utilization increase.	145,196
<b>Department</b>		
<b>CC</b>	<b>Long Term Obligation and Capital Expenditure Fund</b> Supplemental not continued in fiscal year 2009.	(684,069)

**\*\*P\*\* = Parent Record**

# SUMMARY OF CHANGES

## Major Agencies

(in thousands)

<b>IPB Fund</b>	<b>Inter-departmental</b>	<b>Amount</b>
<b>CC</b>	<b>Garden State Preservation Trust Supplemental Funding</b> Reduction of one-time or other non-recurring costs.	(25,000)
<b>CC</b>	<b>Roof Replacements-Statewide</b> Reduction of one-time or other non-recurring costs.	(7,000)
<b>CC</b>	<b>Tenant Fit-Up</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(2,500)
<b>**P**</b>	<b>Capital Complex Security Upgrade/Replacement</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(2,000)
<b>CC</b>	<b>Hazardous Materials- Statewide</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(1,975)
<b>**P**</b>	<b>ADA Compliance</b> Totally or partially shifted to Long Term Obligation/Capital Expenditure Fund	(1,000)
<b>CC</b>	<b>Replace Audiovisual Equipment Thomas Edison State College</b> Reduction of one-time or other non-recurring costs.	(360)
<b>CC</b>	<b>Water Infiltration</b> Reduction of one-time or other non-recurring costs.	(285)
<b>CC</b>	<b>Planetarium Dome Sealant and Painting</b> Reduction of one-time or other non-recurring costs.	(250)
<b>CC</b>	<b>Fire Code Remediation Study</b> Reduction of one-time or other non-recurring costs.	(200)
<b>**P**</b>	<b>Building Authority</b> Growth based on increased debt service costs.	2,757
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<b>(651,997)</b>
<b>FISCAL 2009 APPROPRIATION</b>		<b>3,319,398</b>

\*\*P\*\* = Parent Record

<p><b>SUMMARY OF CHANGES</b></p> <p><b>Major Agencies</b></p> <p><b>(in thousands)</b></p>
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<b>IPB Fund</b>	<b>Judiciary</b>	<b>Amount</b>
<p><b>**</b>      <b>2008 Adjusted Appropriations</b></p>		<hr/> 629,131
<b>Department</b>		
<p><b>DSS</b>      <b>Line of Credit</b></p> <p>Debt service savings due to bond refunding, interest earnings, or reduced costs.</p>		(42)
<p><b>**P**</b>      <b>Diversion to Intensive Supervision Program - Savings in the Department of Corrections</b></p> <p>Program priority growth.</p>		6,378
<b>TOTAL FISCAL 2009 REDUCTIONS/INCREASES</b>		<hr/> <b>6,336</b>
<b>FISCAL 2009 APPROPRIATION</b>		<hr/> <b>635,467</b>
<b>GRAND TOTAL -- FISCAL 2009 APPROPRIATION (Excludes Federal Funds)</b>		<hr/> <hr/> <b>32,868,471</b>

**\*\*P\*\* = Parent Record**

# Appendix

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# GOVERNOR'S MESSAGE

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

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

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

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

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

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

Thank you all for joining us.

Members of the legislature and fellow citizens.

Today I present a sober and responsible budget.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It will inevitably mean reducing spending in areas that we all support.

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

We are positioned between a rock and a hard place.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We sought the ideas and recommendations of independent groups.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Educating our children;

Providing for public safety;

Caring for the most vulnerable;

And in New Jersey, sustaining property tax relief.

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

So ... how have we achieved our cuts?

We cut thousands of jobs.

We cut entire departments.

We cut programs ...

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

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

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

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

Spending is down in every department of the Executive Branch.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

They are permanent ... They will cut costs.

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

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

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

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

We increased pension contributions.

We capped the defined benefit pension for new employees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This is because we carry grave concerns about the level of potential tuition hikes and the need to

maintain access to health care for our most vulnerable.

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

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

This will save about \$800 million dollars.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Second, future spending must match future recurring revenue.

Third, out-of-control borrowing must end.

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

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

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

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

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

Those days are over.

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

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

It will not be the last.

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

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

They get more expensive every year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our state has spent too much money.

And we carry far too much debt.

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

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

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

But it has been worth the effort.

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

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

Now in closing ...

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

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

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

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

Just look at the missed opportunity in stem cell research.

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

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

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

It's certainly not a budget designed to please ... I can tell from the applause lines... but it is a prudent blueprint to meet difficult economic circumstances, correct past mistakes and it lays a foundation for a responsible future.

It doesn't spend more than we have.

It doesn't borrow to pay operating costs.

It doesn't raise taxes.

It does contain the largest increase in school aid ever;

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

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

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

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

A long term answer requires deeper changes.

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

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