

State of New Jersey

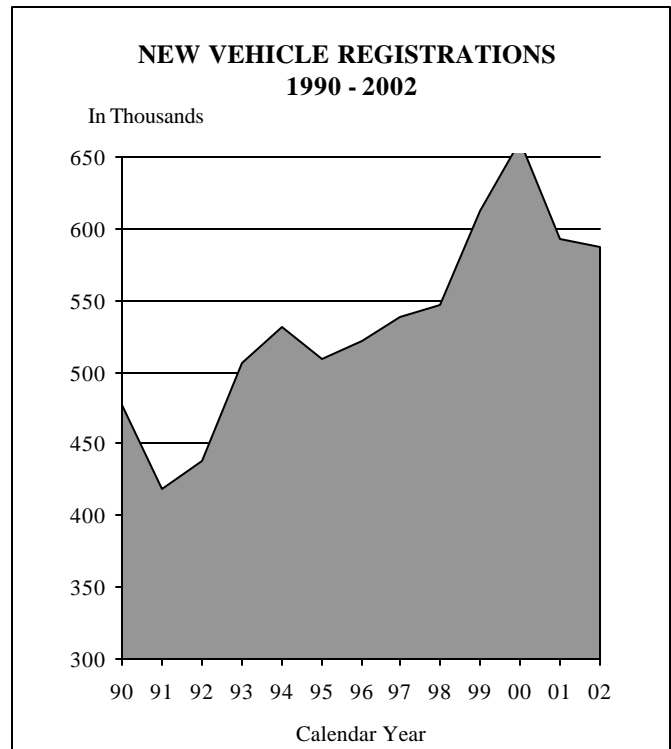
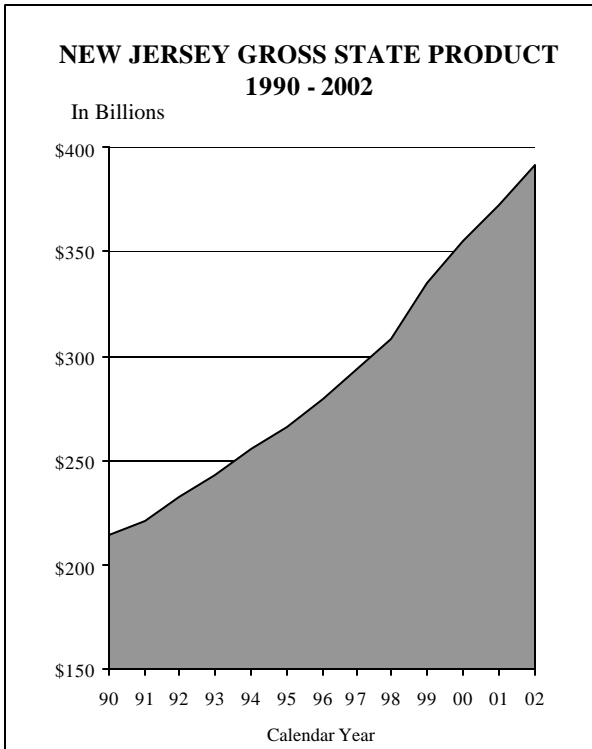
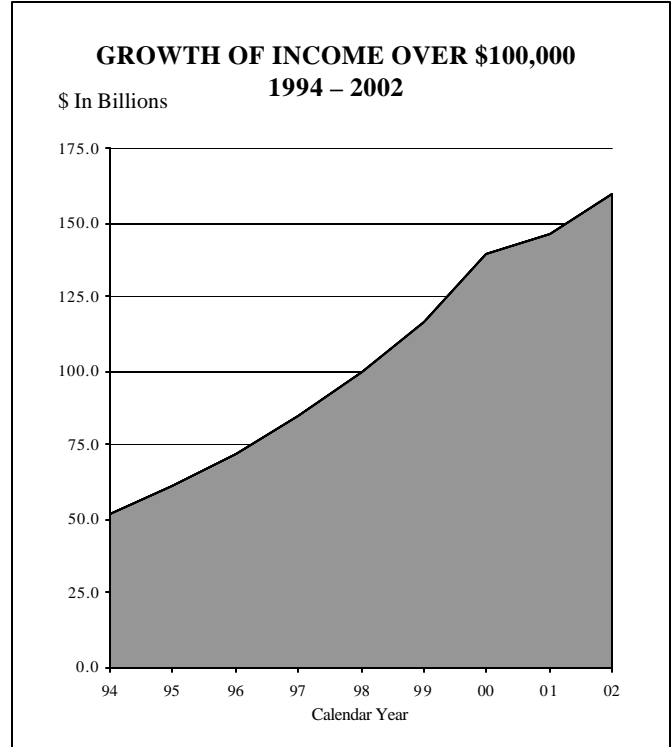
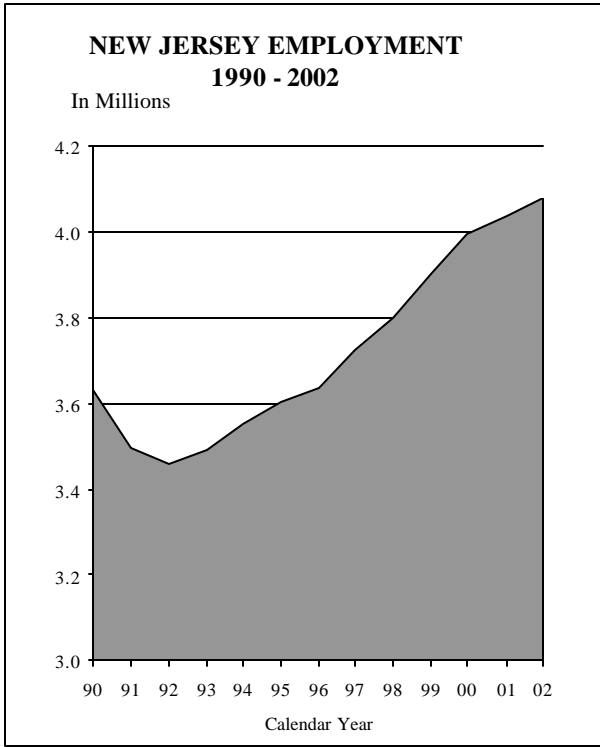
Fiscal Year 2002



Appropriations Act

Economic Growth Stays Strong

(1990 - 2002)



The Fiscal 2002 Appropriations Act
Proposed Spending is Reduced
by \$232 Million & a Record Surplus is Provided

(In Millions)

	FY 2001 Adjusted Approp.	FY 2002 Budget Message	FY 2002 Approp. Bill	% Change to Adjusted Approp.
Opening Surplus	\$ 1,285	\$ 1,279	\$ 1,068	(16.9)%
Revenues				
Income	7,970	8,916	8,545	7.2%
Sales	5,779	6,247	6,137	6.2%
Corporate	1,335	1,513	1,823	36.6%
Other	5,877	6,198	6,367	8.3%
Total Revenues	\$ 20,961	\$ 22,874	\$ 22,872	9.1%
Lapses	619	---	---	
Total Resources	\$ 22,865	\$ 24,153	\$ 23,940	4.7%
Appropriations				
Original	\$ 21,431	\$ 23,153	\$ 22,921	7.0%
Supplemental	366	---	---	
Total Appropriations	\$ 21,797	\$ 23,153	\$ 22,921	5.2%
Fund Balance	\$ 1,068	\$ 1,000	\$ 1,019	

*Acting Governor Donald T. DiFrancesco's
Priorities
Promises Made, Promises Kept*

(In Millions)

	FY 2002 <u>Approp. Bill</u>
Property Tax Relief	
Increase Homestead Rebate to \$750	\$ 118.0
Increase Tenants' Rebate to \$100	\$ 26.0
Accelerate NJSaver to Average of \$500	\$ 150.0
Subtotal	<u>\$ 294.0</u>
 Health Care	
Senior Gold	\$ 50.0
Increase Medicaid Hospital Rates + Charity Care	\$ 55.0
Expand Family Care	\$ 25.1
Medicaid Physician Fee Increase	\$ 35.0
Spousal Impoverishment	\$ 24.4
ER Physician Payments	\$ 5.0
Newborn Screening	\$ 3.1
Managed Care Oversight + Consumer Awareness	\$ 1.4
Expansion of Minority Health Services	\$ 1.5
Subtotal	<u>\$ 200.5</u>
Kidsneeds	\$ 13.0
DYFS Staffing	\$ 12.0
Protecting New Jersey's Drinking Water	\$ 21.0
Education - School Aid Hold Harmless	\$ 11.4
Total	<u><u>\$ 551.9</u></u>

Direct Property Tax Relief Grows by 42.7%

(In Millions)

	FY 2001 Adjusted Approp.	FY 2002 Approp. Bill	\$ Change	% Change
NJ Saver	\$ 336.7	\$ 607.4	\$ 270.7	80.4%
Homestead Rebates	335.1	482.6	147.5	44.0%
Veterans & Senior/Disabled Citizens Property Tax Deduction	77.3	92.0	14.7	19.0%
Property Tax Deduction Act	<u>301.0</u>	<u>316.0</u>	<u>15.0</u>	<u>5.0%</u>
Total Direct Property Tax Relief	<u>\$1,050.1</u>	<u>\$ 1,498.0</u>	<u>\$ 447.9</u>	<u>42.7%</u>

Record Funding for Property Tax Relief

(In Millions)

Programs	FY 2001	FY2002	FY 2002	Change	
	Adjusted	Budget		Approp. Bill	\$
	Approp.	Message			
School Aid	\$ 6,837.1	\$ 7,451.3	\$ 7,441.1	\$ 604.0	8.8%
Municipal Aid	1,667.7	1,741.8	1,723.5	55.8	3.3%
Other Local Aid	593.7	593.3	622.6	28.9	4.9%
Direct Property Tax Relief	1,050.1	1,358.5	1,498.0	447.9	42.7%
Subtotal Direct Aid	\$10,148.6	\$11,144.9	\$ 11,285.2	\$1,136.6	11.2%
Police and Firemens' Retirement					
Local Savings	150.0	247.8	247.8	97.8	65.2%
Pension Security Program Savings	48.7	48.7	48.7	---	----
Grand Totals	\$10,347.3	\$11,441.4	\$ 11,581.7	\$1,234.4	11.9%

***State Aid & Services are Increased by
\$1,351 Million***

	FY 2001	FY 2002	FY 2002	Change	
	Adjusted Approp.	Budget Message	Approp. Bill	\$	%
State-Aid	\$ 8,492	\$ 9,151	\$ 9,148	\$ 656	7.7%
Grants-in-Aid	6,769	7,396	7,464	695	10.3%
Operations	4,821	4,900	4,751	(70)	(1.5)%
Capital	1,185	1,177	1,064	(121)	(10.2)%
Debt Service	<u>530</u>	<u>529</u>	<u>494</u>	<u>(36)</u>	(6.8)%
Grand Total -- State	<u>\$ 21,797</u>	<u>\$ 23,153</u>	<u>\$ 22,921</u>	<u>\$ 1,124</u>	5.2%

Record School Aid Meets Local Needs

(In Millions)

	FY 2001 Adjusted Approp.	FY 2002 Budget Message	FY 2002 Approp. Bill	Change from FY 2001
CEIFA/Supplemental Programs	\$5,735.8	\$ 6,193.0	\$ 6,191.6	\$ 455.8
Other Aid	<u>178.9</u>	<u>172.3</u>	<u>161.8</u>	<u>(17.1)</u>
Total Direct School Aid	\$5,914.7	\$ 6,365.3	\$ 6,353.4	\$ 438.7
Post Retirement Medical, Debt Service and Social Security	792.5	904.0	905.7	113.2
School Construction and Renovation	<u>129.9</u>	<u>182.0</u>	<u>182.0</u>	<u>52.1</u>
Total School Aid	\$6,837.1	\$ 7,451.3	\$ 7,441.1	\$ 604.0
Local Pension Security Program Savings	<u>10.6</u>	<u>10.6</u>	<u>10.6</u>	<u>-</u>
Total School Aid and Related Items	<u>\$6,847.7</u>	<u>\$ 7,461.9</u>	<u>\$ 7,451.7</u>	<u>\$ 604.0</u>

Municipal Aid is Increased

(In Millions)

	FY 2001 Adjusted Approp.	FY 2002 Approp. Bill	\$ Change
Consolidated Municipal Property Tax Relief Aid (CMPTRA)	\$ 787.8	\$ 818.5	\$ 30.7
Energy Receipts Property Tax Relief Aid	750.0	755.0	5.0
Special Municipal Aid	-	38.7	38.7
Regional Efficiency Aid Program	16.8	20.0	3.2
Regional Efficiency Dev. Incentive Program	10.0	5.0	(5.0)
Legislative Initiative Block Grant Program	33.8	33.8	-
Extraordinary Aid	25.0	25.0	-
Watershed Moratorium Offset Aid	3.3	3.4	0.1
Open Space - Payment In Lieu of Taxes (PILOT)	7.1	7.4	0.3
Business Personal Property Tax Depreciation	<u>33.9</u>	<u>16.7</u>	<u>(17.2)</u>
Subtotal Direct Municipal Aid	\$ 1,667.7	\$ 1,723.5	\$ 55.8
Local Pension Security Program Savings	<u>12.8</u>	<u>12.8</u>	<u>---</u>
Total Municipal Aid and Budget Savings	<u>\$ 1,680.5</u>	<u>\$ 1,736.3</u>	<u>\$ 55.8</u>

Higher Education Commitment Grows by Over \$108 Million

(In Millions)

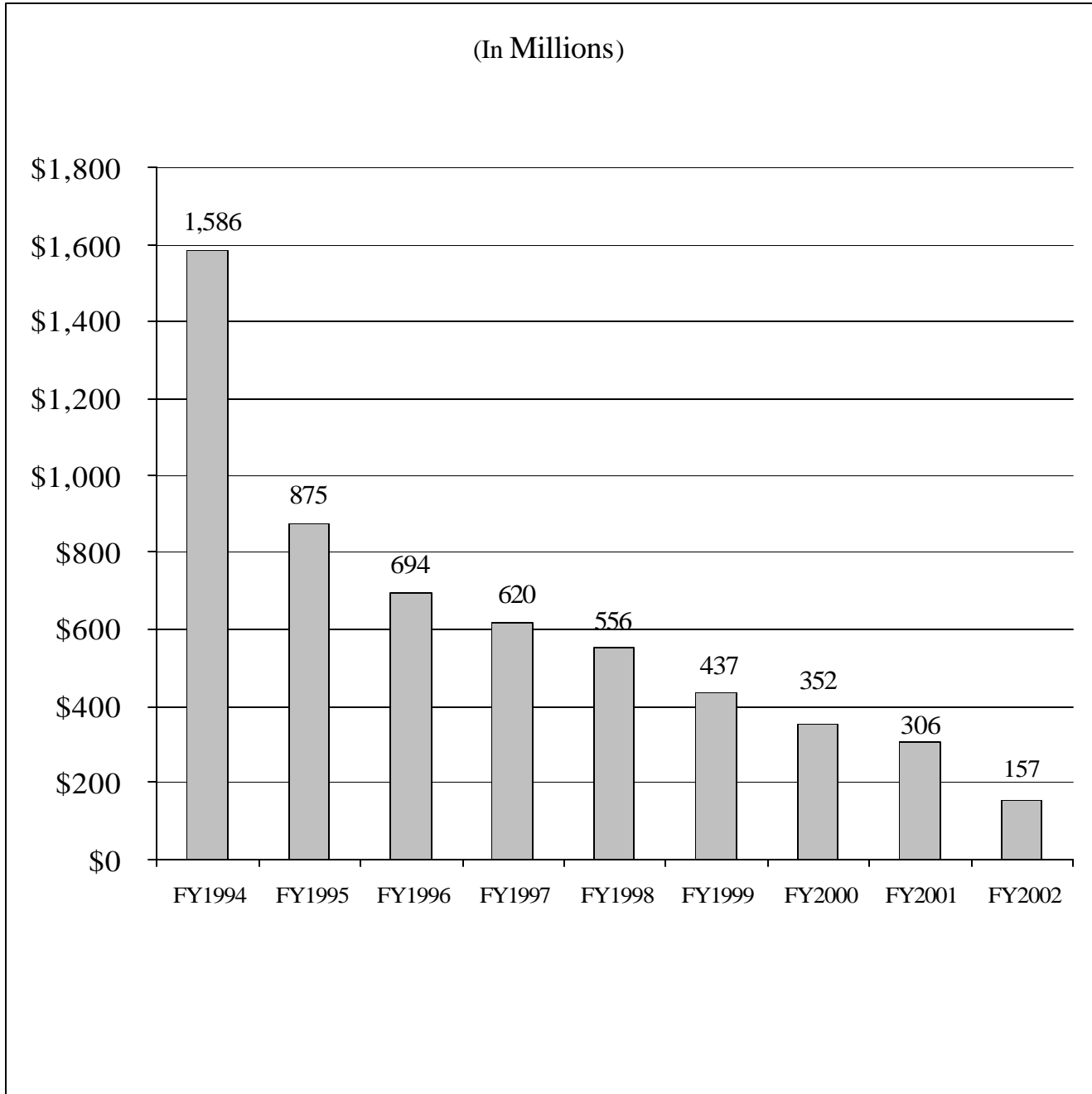
	<u>FY 2001 Adjusted Approp.</u>	<u>FY 2002 Approp. Bill</u>	<u>\$ Change</u>
COLLEGES AND UNIVERSITIES			
Senior Public Colleges and Universities	\$ 1,157.2	\$ 1,239.2	\$ 82.0
County Colleges	191.1	203.8	12.7
Independent Colleges and Universities	26.2	24.5	(1.7)
STUDENT FINANCIAL ASSISTANCE	216.6	222.9	6.3
HIGH-TECH INITIATIVES			
Excellence in High Technology Workforce	15.0	15.0	-
Biomedical and Other Technology Research	10.0	5.0	(5.0)
Bioengineering and Genetics Building	-	2.0	2.0
TEACHER QUALITY			
Teacher Preparation	-	10.0	10.0
OTHER PROGRAMS	<u>92.8</u>	<u>95.0</u>	<u>2.2</u>
Grand Total	<u><u>\$ 1,708.9</u></u>	<u><u>\$ 1,817.4</u></u>	<u><u>\$ 108.5</u></u>

***Tax Reform & Economic Growth
Provides \$1.9 Billion in
New Revenues***

(In Millions)

	FY 2001 Adjusted Revenues	FY 2002 Budget Message	FY 2002 Approp. Bill
Sales	\$ 5,779	\$ 6,247	\$ 6,137
Corporate	1,335	1,513	1,823
Income	7,970	8,916	8,545
Other	<u>5,877</u>	<u>6,198</u>	<u>6,368</u>
Total	<u>\$ 20,961</u>	<u>\$ 22,874</u>	<u>\$ 22,873</u>

The Structural Deficit Declines

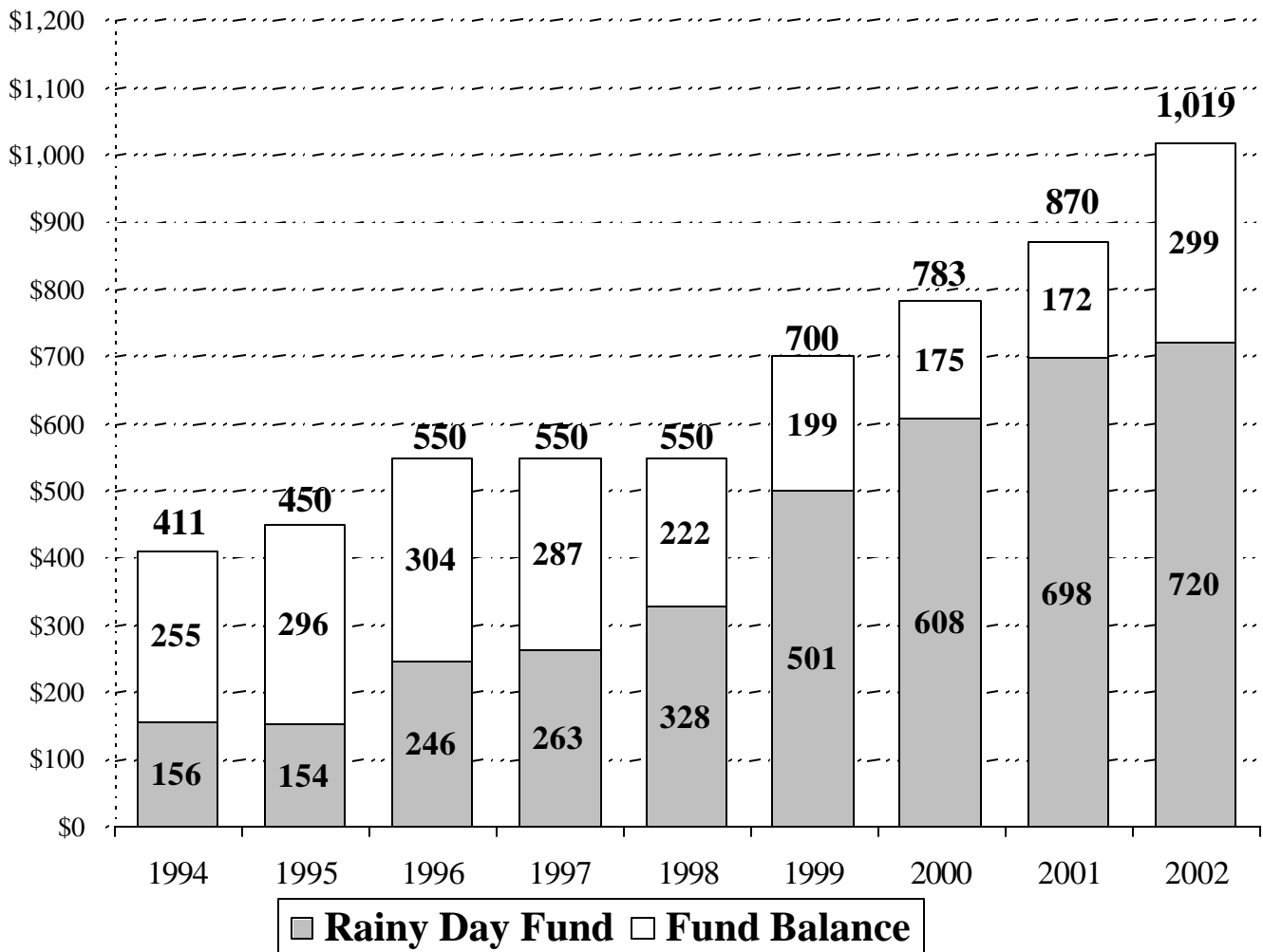


The structural deficit is the total of one-shot revenues and one-shot spending reductions plus the drawdown of prior year balances.

Based upon projections at enactment of Appropriations Act for that fiscal year.

Total Fund Balance at Record High

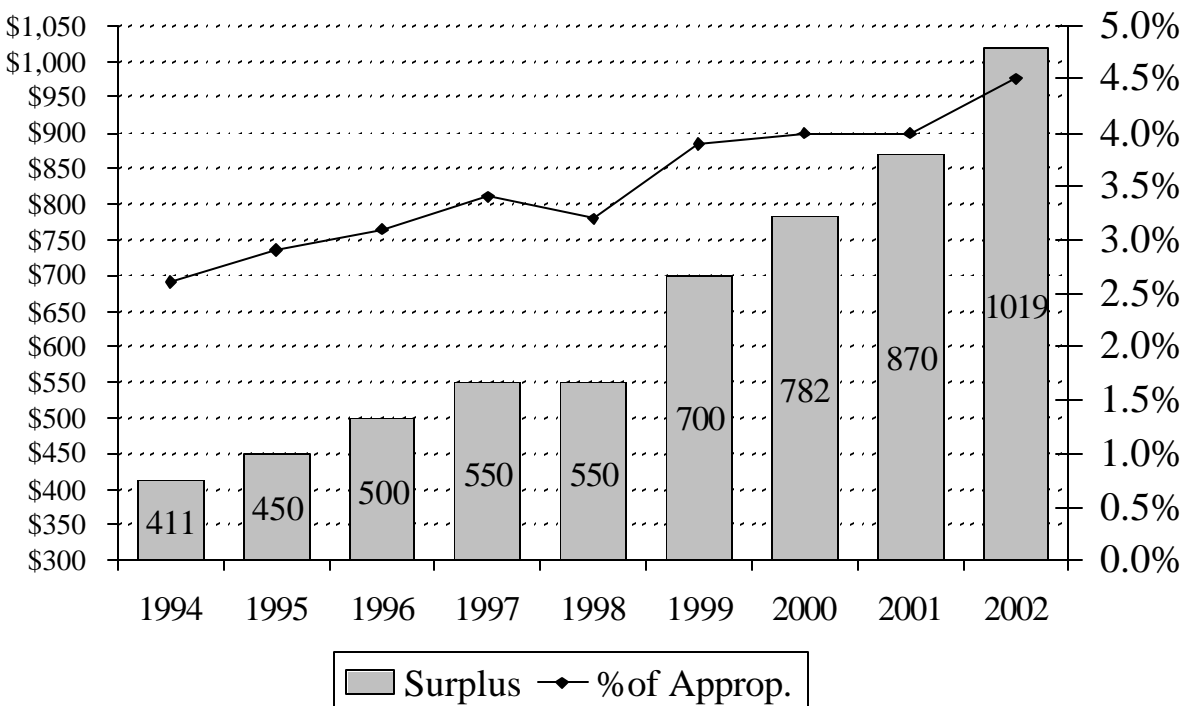
(In Millions)



Fund Balances projected at Appropriation Act.

Surplus at Record High

As a Percentage of the Budget



Fund Balances projected at Appropriations Act.