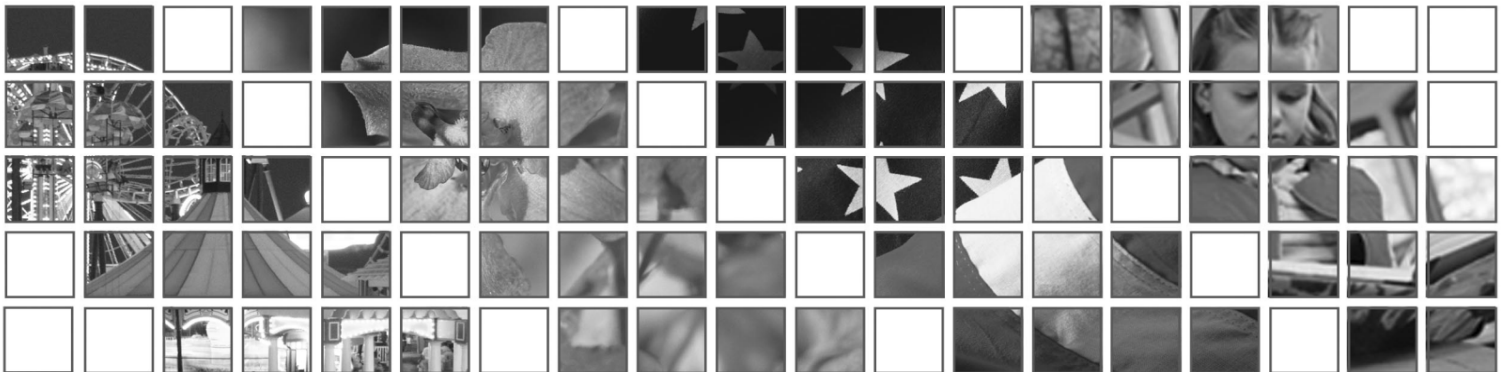


# Summaries of Appropriations

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



# SUMMARIES OF APPROPRIATIONS

## THE BUDGET IN BRIEF

### GENERAL FUND

#### Resources

(\$ In Thousands)

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

#### Recommendations

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

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

#### Resources

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

Transfer from or to General Fund .....		—
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Undesignated fund balance, June 30, 2005 .....		—
--	--	---

### PROPERTY TAX RELIEF FUND

#### Resources

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

#### Recommendations

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

Undesignated fund balance, June 30, 2005 .....		—
--	--	---

### GUBERNATORIAL ELECTIONS FUND

#### Resources

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

#### Recommendations

Public Financing of Elections .....		8,870
-------------------------------------	--	-------

Undesignated fund balance, June 30, 2005 .....		—
--	--	---

### CASINO CONTROL FUND

#### Resources

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

#### Recommendations

Regulation of Casino Gambling .....		63,700
-------------------------------------	--	--------

Undesignated fund balance, June 30, 2005 .....		—
--	--	---

### CASINO REVENUE FUND

#### Resources

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

#### Recommendations

Programs for senior citizens and handicapped persons .....		478,880
--	--	---------

Undesignated fund balance, June 30, 2005 .....		—
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# NOTES

## BUDGET HIGHLIGHTS

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

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

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

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

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

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

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

for increased school construction debt service costs;

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

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

### Fiscal 2004 – Managing the Current Budget

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

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

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

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

### Fiscal 2005 Budget

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

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

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

- \$1.52 billion from the securitization of motor vehicles surcharges and new revenue from a 45 cent increase in the cigarette tax;
  - \$275 million from extending the suspension of the Corporation Business Tax – Net Operating Loss (NOL) provision for an additional two-year period, from January, 2004 to December, 2005;
  - \$199 million package of surcharges on pollution-related sources, including a new Petro-Chemical Environmental Impact Fee that will raise \$150 million, as well as an increase in the Spill Compensation Fund (\$20 million) and surcharges on the sale of new tires (\$12 million), disposal of hazardous waste at New Jersey facilities (\$11 million) and on air toxic emissions (\$6 million), the latter of which are suspected carcinogens;
- In addition, \$253.5 million in trust fund balances are recommended for transfer to the General Fund. Key initiatives include:
- \$110 million from the State Disability Benefits (TDI) Fund;

## SUMMARIES OF APPROPRIATIONS

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

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

### Fiscal 2005 Budget Compared to Fiscal 2004 Budget

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

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

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

## GOVERNOR MCGREEVEY'S PRIORITIES

### Education

#### The Preschool Advantage

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

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

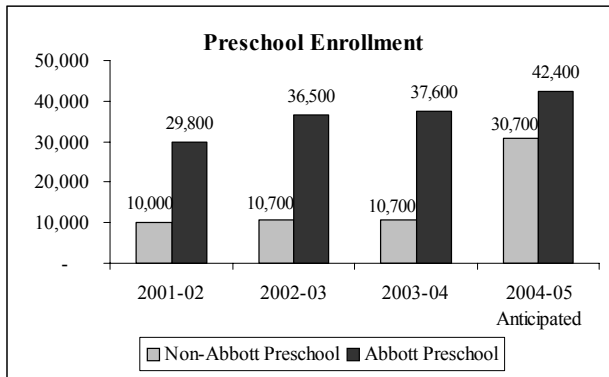
The Department of Education expects preschool enrollment in the Abbott districts to grow to over 42,000 for the 2004-2005 school years, an increase of more than 42% since Governor McGreevey assumed office two years ago. If these enrollment levels are achieved, approximately 77% of all 3 and 4 year-olds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

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

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

## SUMMARIES OF APPROPRIATIONS

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



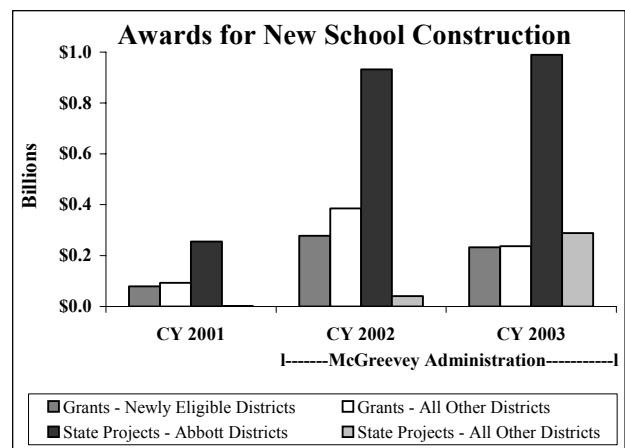
### School Construction

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

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

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

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



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



# SUMMARIES OF APPROPRIATIONS

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## **Early Literacy**

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

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

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

## **New Jersey After 3**

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

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

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

## **School Impact Fees for Developers**

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

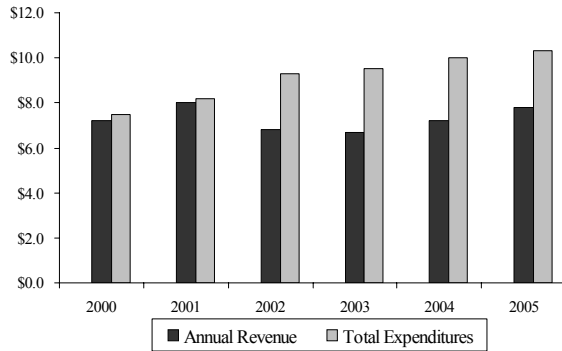
As a step in that direction, Governor McGreevey is proposing a new State impact fee on residential development to be dedicated exclusively to reducing local costs for new school construction.

## **Taxpayer Relief**

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

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

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



**School Aid**

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

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

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

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

### Municipal Aid

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

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

#### *Taxpayer Hero Grants*

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

#### *Regional Efficiency Development Incentive Grants*

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

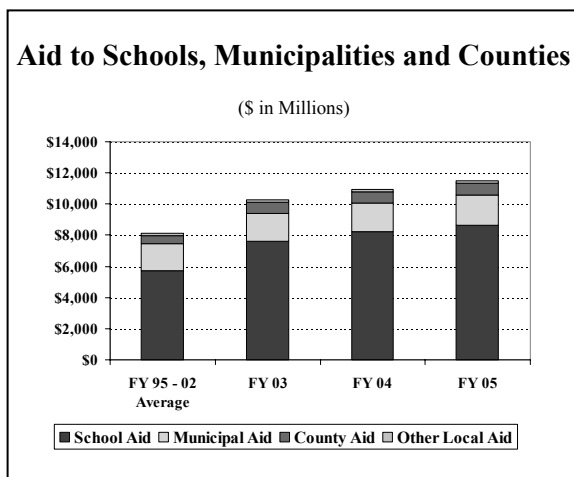
#### *Regional Efficiency Aid Program*

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

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

The Budget also includes funding for:

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



### Other Local Aid

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

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

#### *Hotel Motel Tax*

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

## SUMMARIES OF APPROPRIATIONS

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

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

### **Direct Property Tax Relief**

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

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

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

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

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

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

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

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

#### **Parks Capital**

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

#### **Environmental Infrastructure Investments**

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

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

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

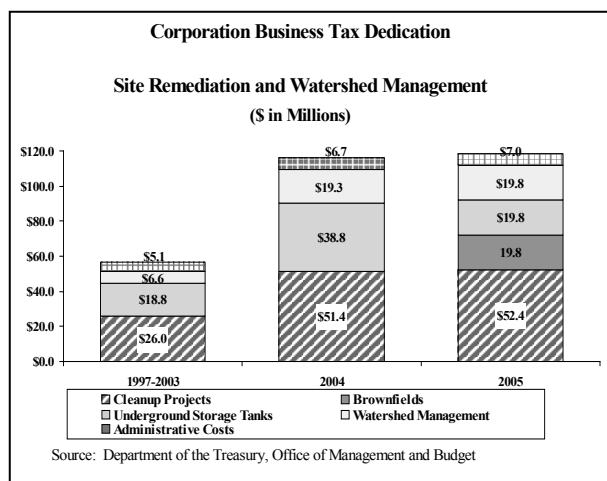
Finally, voters approved the reallocation of approximately \$60 million of funds previously

## SUMMARIES OF APPROPRIATIONS

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

### Corporation Business Tax (CBT) Dedication

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



### Smart Growth

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

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

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

### Regulatory Initiatives

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

### Motor Vehicles Commission

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

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

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

### Health and Welfare

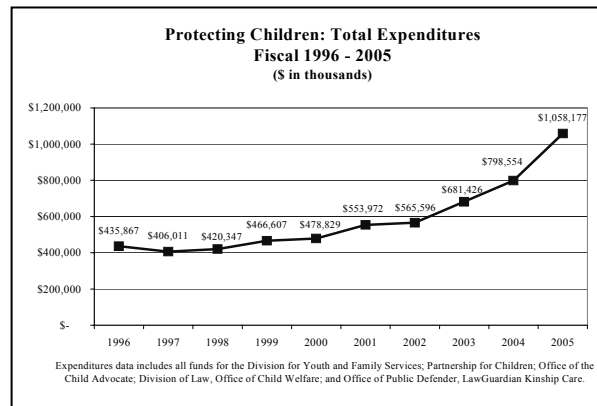
#### Child Welfare Reform

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

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

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

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



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

#### Charity Care

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

## SUMMARIES OF APPROPRIATIONS

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

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

### **Cancer Research**

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

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

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

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

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

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

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

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

### **Long Term Care**

#### **Caregivers**

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

## SUMMARIES OF APPROPRIATIONS

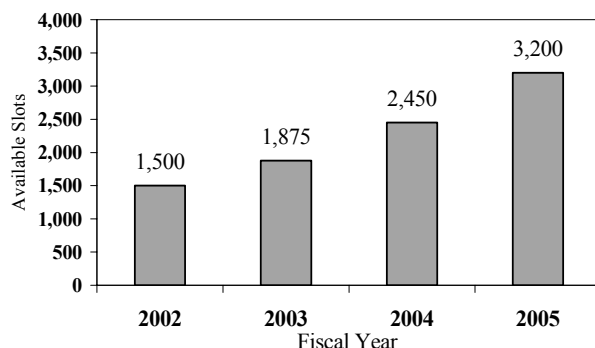
people who make it possible for aging seniors to live in their own homes. It is estimated that approximately 800,000 adults provide some type of caregiving service to elderly or disabled adults. The need for such care is expected to increase significantly in the future due to the gradual increase in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

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

### Assisted Living

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

**Assisted Living**



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

### Global Budget

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

### Nursing Homes and Alternatives

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

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

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



## SUMMARIES OF APPROPRIATIONS

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

### Cardiovascular Care

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

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

### Medicaid/Family Care – Preserving Services

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

#### *Operational Efficiencies*

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

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

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

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

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

#### *Optional Services*

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

### *Prescription Drugs*

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

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

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

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

### *Managed Care*

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

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

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

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

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

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

### *Children's Behavioral Health Services*

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

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

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

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

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

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

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

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

### **Mental Health Community Programs**

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

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

### **Homeland Security**

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

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

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

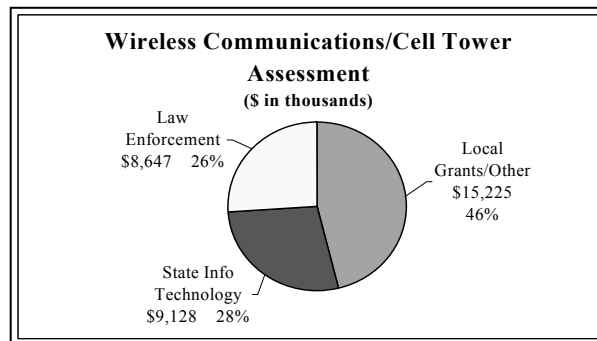
## SUMMARIES OF APPROPRIATIONS

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

### Wireless Telecommunications/Cell Tower Assessment

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

The remaining \$8.6 million will be used to enhance



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

### Four New Trooper Classes

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

### Veteran's Programs

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

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

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

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

### Arts, History and Tourism

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

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

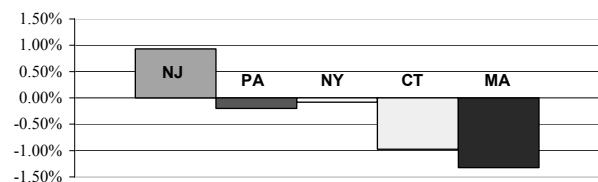
### Economic Development

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

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

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

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



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

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

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

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

## SUMMARIES OF APPROPRIATIONS

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

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

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

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

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

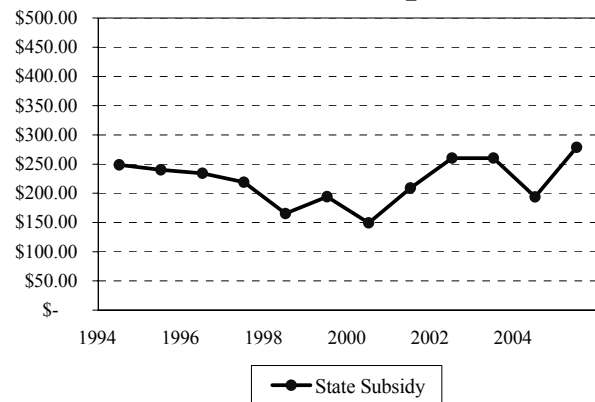
These efforts and innovations continue in fiscal 2005. The new budget expands the Technology Tax Credit Transfer Program, a \$40 million program that allows

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

### New Jersey Transit

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

### NJ Transit Corporation



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

### Higher Education

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

## SUMMARIES OF APPROPRIATIONS

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

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

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

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

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

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

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

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

### **Student Financial Assistance**

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

#### **Tuition Aid Grants**

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

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

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

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

### **NJ STARS Program**

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

## SUMMARIES OF APPROPRIATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## SUMMARIES OF APPROPRIATIONS

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

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

### Capital Grants and Facility Support

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

### Employee Benefits

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

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

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

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

### Salary Program

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

### Other Key Initiatives

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

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

#### State Commission on Investigation

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

## SUMMARIES OF APPROPRIATIONS

### Office of Faith Based Initiatives

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

### School Breakfast

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

### Lead Poisoning

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

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

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

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

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

### State Legal Services

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

### Sports Authority

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

## SUMMARIES OF APPROPRIATIONS

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

### Women's Programs

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

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

### Records Management

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

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

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

### Management Efficiencies

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

### Workers' Compensation

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

### Local Savings – Energy Aggregation

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

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

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

### **Job Training Consolidation**

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

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

### **Addiction Services Consolidation**

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

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

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

### **Shared Services**

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

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

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

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

### **Drug Court Program**

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

## SUMMARIES OF APPROPRIATIONS

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

### **Paperless Forms**

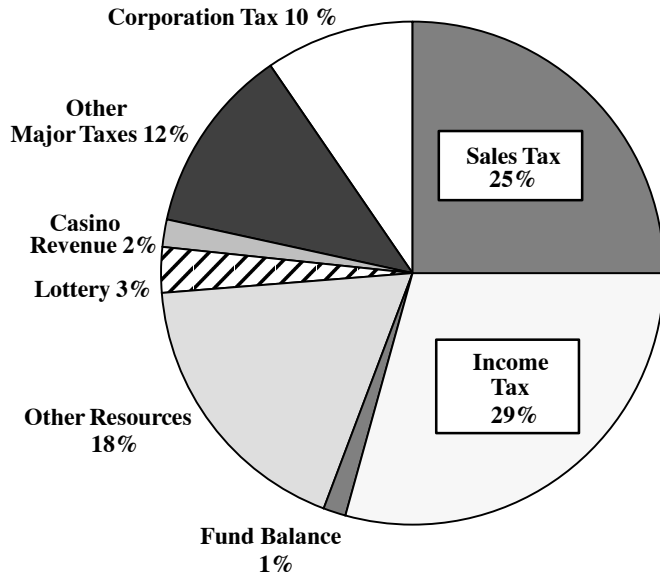
The Division of Taxation within the Department of Treasury anticipates a savings of nearly \$2 million in fiscal 2005 by accelerating its ongoing effort to convert to a "paperless" tax filing system. Improvements in technology and computer programming will provide alternate means of filing, resulting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

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

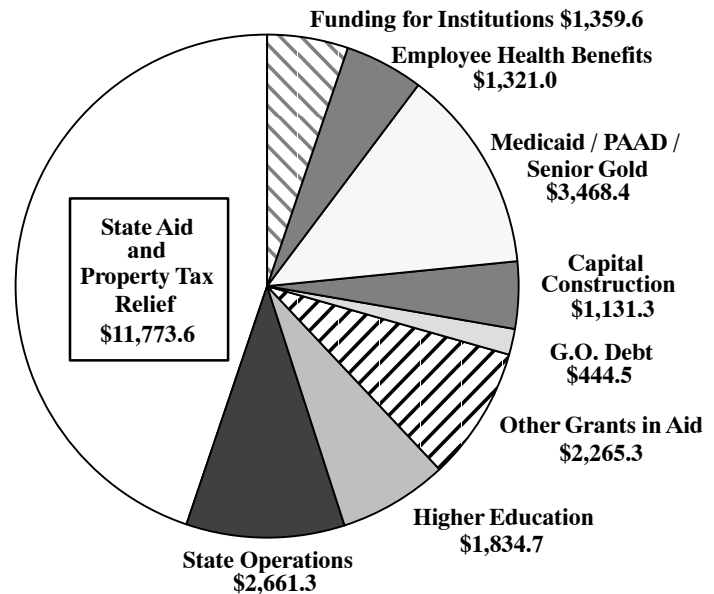
**SUMMARIES OF APPROPRIATIONS**

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

**Resources**



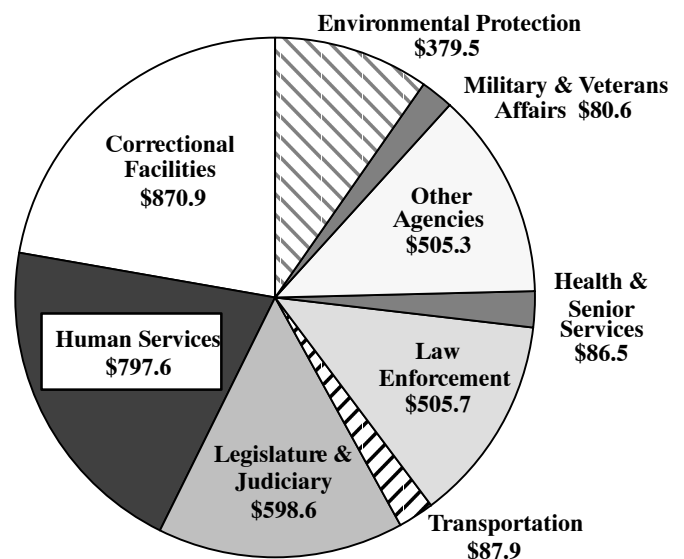
**Recommendations  
(In Millions)**



**RESOURCES  
(In Thousands)**

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

**STATE OPERATIONS  
(In Millions)**



# SUMMARIES OF APPROPRIATIONS

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

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

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

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

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

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

# SUMMARIES OF APPROPRIATIONS

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

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

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



# SUMMARIES OF APPROPRIATIONS

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

## SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

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

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

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

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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



# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

## SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

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

# SUMMARIES OF APPROPRIATIONS

## DEDICATED FUNDS

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

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

# SUMMARIES OF APPROPRIATIONS

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

## SUMMARIES OF APPROPRIATIONS

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



# SUMMARIES OF APPROPRIATIONS

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## SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

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

Categories of appropriations are defined as follows:

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

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

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

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

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

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

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

# SUMMARIES OF APPROPRIATIONS

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

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

# SUMMARIES OF APPROPRIATIONS

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

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

# SUMMARIES OF APPROPRIATIONS

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

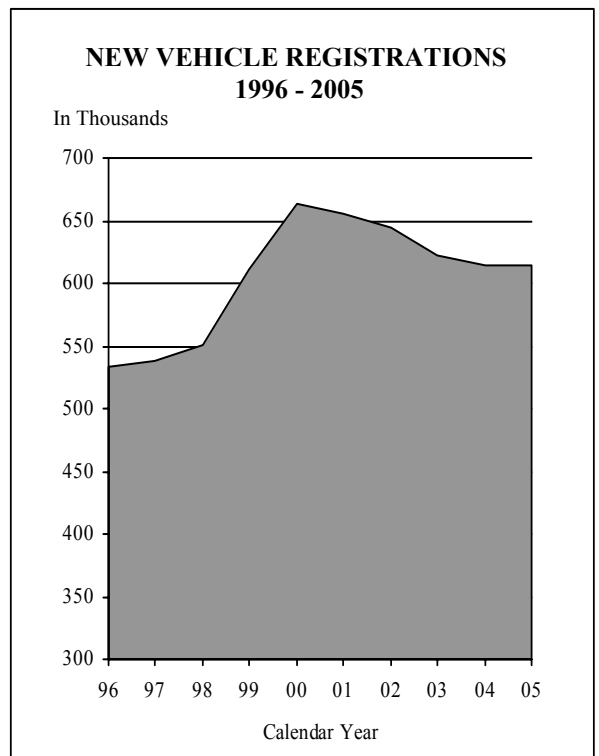
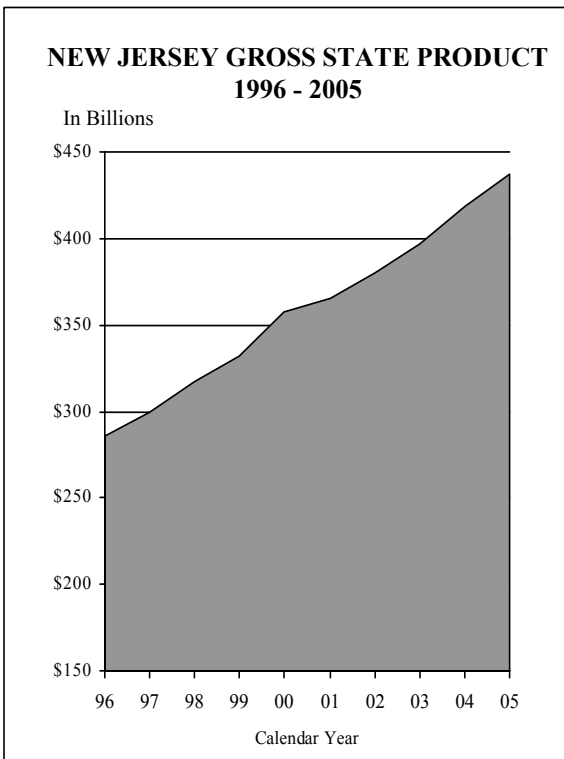
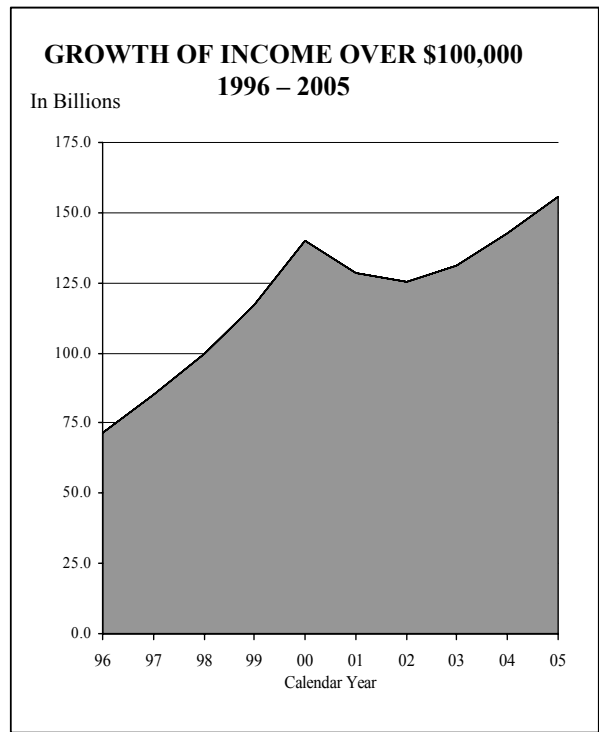
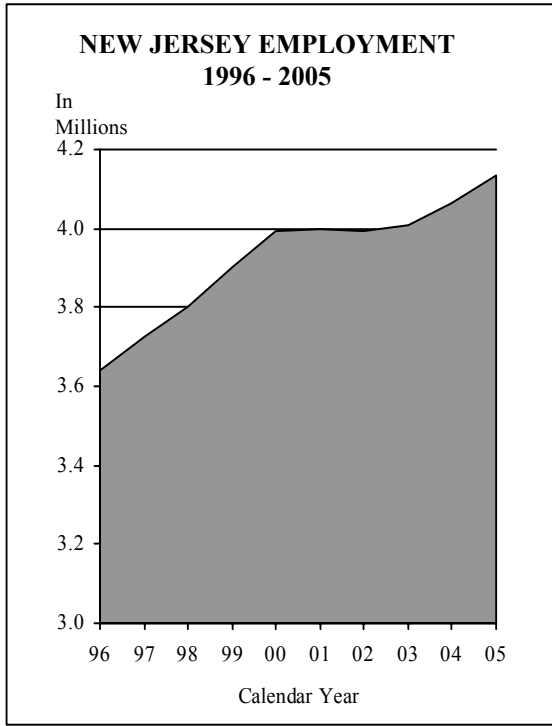
	<u>Increase</u>	<u>Decrease</u>	<u>Net Change</u>
Cleft Palate Programs Increase	<u>0.045</u>		
<b><i>Subtotal – Grants–In–Aid Increases</i></b>	<b><u>\$ 1,102.130</u></b>		
Pharmaceutical Assistance to the Aged and Disabled/Senior Gold		\$ (45.072)	
NJ SAVER – Recalculated Program Participation		(25.000)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

# SUMMARIES OF APPROPRIATIONS

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

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

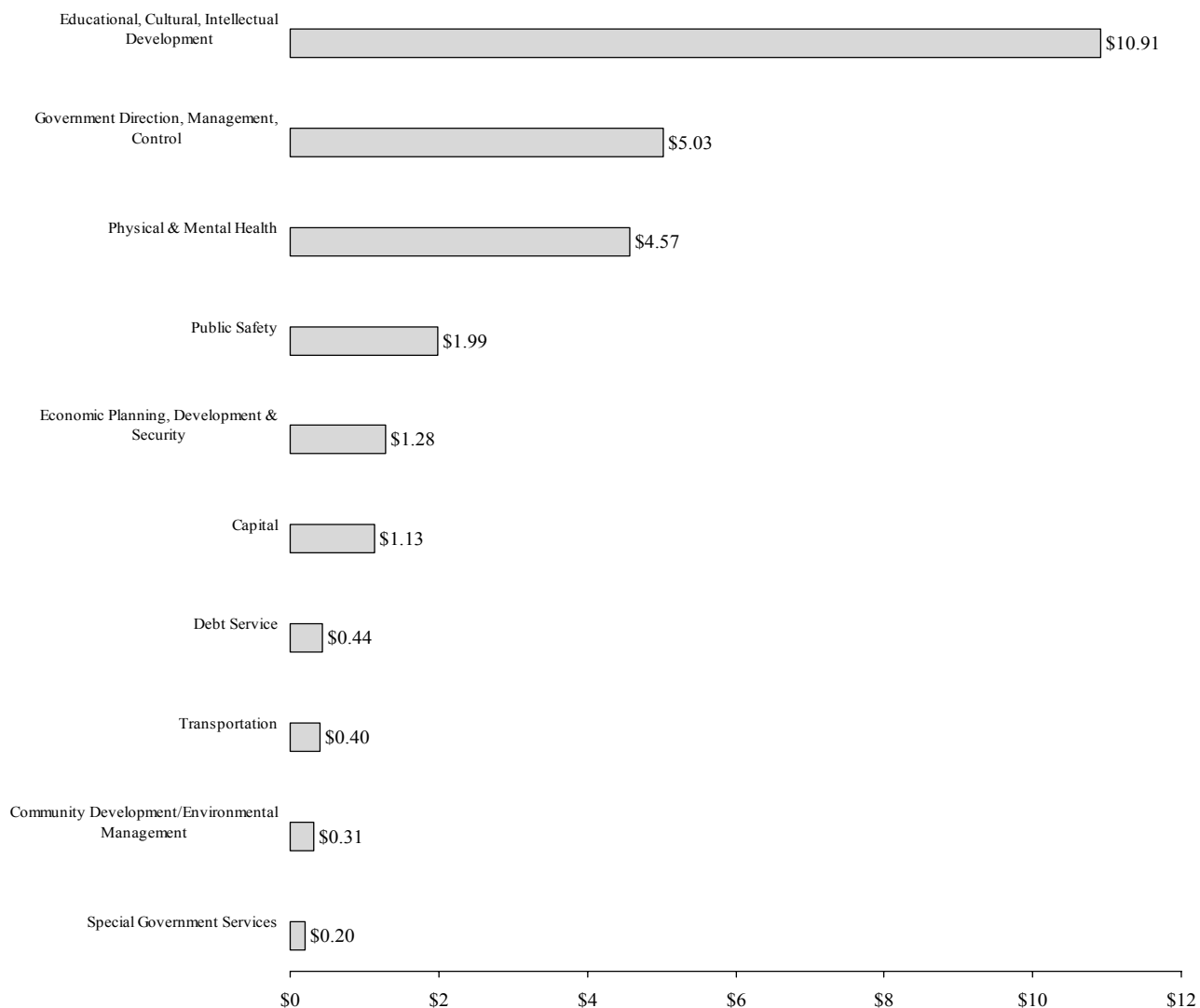
***Economic Growth***  
**(1996 - 2005)**



## SUMMARIES OF APPROPRIATIONS

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



## *The Fiscal 2005 Budget*

(In Millions)

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

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



## SUMMARIES OF APPROPRIATIONS

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### *FY 2004 Supplemental Appropriations*

(In Thousands)

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

**SUMMARIES OF APPROPRIATIONS**

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

(In Millions)

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

**Off Budget Spending**

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

## SUMMARIES OF APPROPRIATIONS

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### *Mandated Growth*

(In Thousands)

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

## *The Fiscal 2005 Budget by Category*

(In Millions)

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

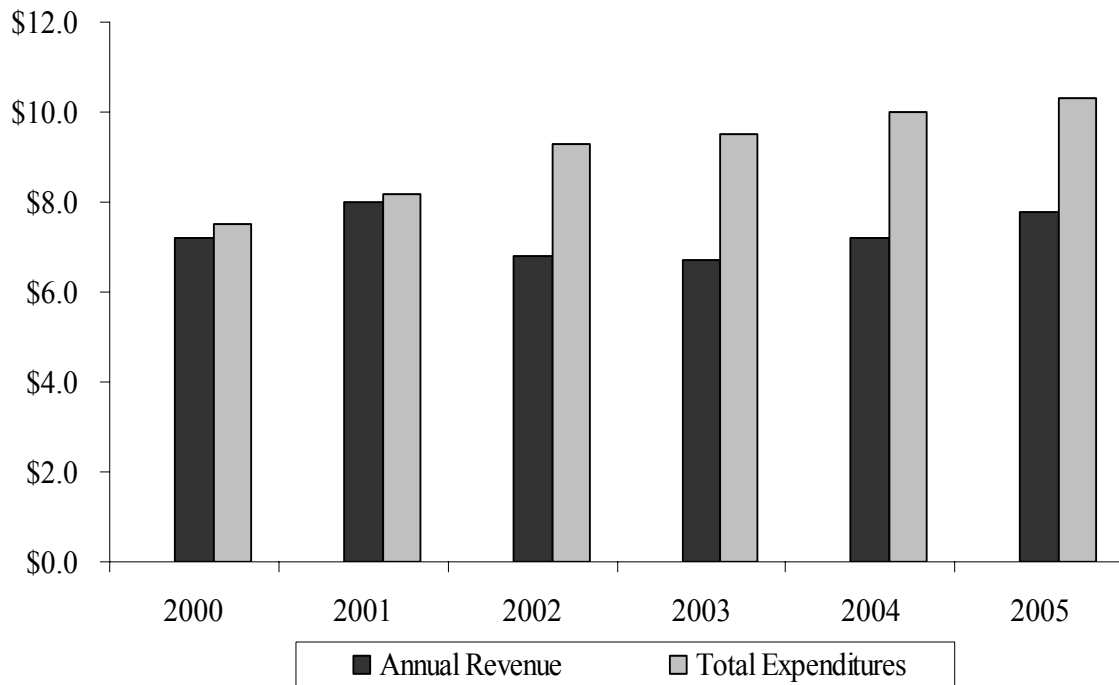
## SUMMARIES OF APPROPRIATIONS

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

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

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



# SUMMARIES OF APPROPRIATIONS

## *Direct State Services By Department*

(In Thousands)

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

## *Funding for Property Tax Relief*

(In Millions)

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

\*Reflects expended



# SUMMARIES OF APPROPRIATIONS

## FISCAL 2005 TAXPAYER RELIEF (In Millions)

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

## *School Aid*

(In Millions)

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

# SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2005---

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

# SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2005---

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

## SUMMARIES OF APPROPRIATIONS

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### *Municipal Aid* (In Millions)

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

## SUMMARIES OF APPROPRIATIONS

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

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

\* Reflects expended

# SUMMARIES OF APPROPRIATIONS

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## *Higher Education*

(In Millions)

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