

Fiscal Year 2012-2013

Citizens' Guide to the Budget



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September 2012



State of New Jersey

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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON-ERISTOFF
State Treasurer

Message from Andrew Sidamon-Eristoff, Treasurer of the State of New Jersey:

The Citizens' Guide is exactly what its name suggests – a guide designed to help concerned citizens understand the impact of the State's multi-billion-dollar budget for Fiscal 2013. While similar documents published earlier in the budget process were designed to explain the Christie Administration's budget proposals, the Citizens' Guide details the final spending plan approved by the Legislature and signed into law by Governor Christie. Much hard work went into the Guide's creation. Professionals at the Office of Management and Budget labored to ensure that the Guide is both illuminating and useful. My thanks goes to all who contributed to the creation of the Guide. On behalf of the Department of the Treasury and the administration, I present this booklet to you in the interests of open and better government.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew Sidamon-Eristoff', with a stylized flourish at the end.

Andrew Sidamon-Eristoff

Fiscal Year 2012-2013

Citizens' Guide to the Budget

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**The Fiscal Year 2012-2013 *Citizens' Guide to the Budget:*
A Summary of the Appropriations Act**

Governor Chris Christie is committed to reform, public accountability and transparency. To that end, the State publishes the *Citizens' Guide to the Budget* for the people of New Jersey. The *Citizens' Guide* provides details of the Appropriations Act, which implements the Budget and directs State spending decisions. It is designed to be the State's budgetary road map for the current fiscal year and to help the public better understand what is included in the enacted Budget.

Fiscal 2013 marks the third year in which Governor Christie has constitutionally balanced the State Budget. This spending plan delivers on key priorities for the people of New Jersey without raising taxes. It maintains the fiscal discipline that the Governor imposed on Day One of his administration, controlling spending while focusing on funding critical priorities that speak to the needs of all New Jerseyans. By making tough choices and enacting bold, bipartisan reforms, Governor Christie has laid the groundwork for continuing economic growth and prosperity.

Members of the Governor's staff, the Treasurer's Office, the Office of Management and Budget, and department managers collaborate throughout the year to ensure the State fulfills key commitments while maintaining fiscal balance:

- In February 2012, Governor Chris Christie released his proposed *Budget* along with the *Budget Summary*, a document outlining the State's fiscal condition and summarizing the Governor's policy initiatives and Budget proposals.
- During the legislative session, the Legislature crafted Senate Bill 2013, the Appropriations Act, which modified the Governor's Budget. On June 25, the Legislature submitted the Appropriations Act for approval by the Governor.
- On June 29, the Governor exercised his line-item veto authority and signed the Appropriations Act with an accompanying veto message.
- The *Appropriations Handbook*, released shortly afterward, provides detailed information about the enacted Budget.
- This publication, the *Citizens' Guide to the Budget*, provides the citizens of New Jersey with a summary of the changes in the enacted Budget and also details the State's certified revenue levels. In addition, the *Citizens' Guide* includes charts and graphs that help explain the State's fiscal condition, along with specific budgetary information about the Fiscal 2013 Budget. For the first time, this year's *Citizens' Guide* also contains detailed performance targets for various State initiatives to provide accountability for taxpayer dollars.
- All of the above documents are available electronically at:
<http://www.state.nj.us/treasury/omb/>

In keeping with his commitment to transparency, Governor Christie has ensured that the Government Transparency Center, which is available 24 hours a day at YourMoney.NJ.Gov, contains comprehensive and up-to-date information about State government. The Center includes revenue and expenditure data, public payroll records, debt information, and performance targets, along with other valuable information. To access the Center, please visit: <http://www.yourmoney.nj.gov/>.

Chapter 1: Budget Highlights



CHAPTER 1: BUDGET HIGHLIGHTS

The Fiscal 2013 Budget: A Commitment to Economic Growth

The Fiscal 2013 Budget represents the Christie Administration's commitment to fostering sustained economic growth and prosperity in New Jersey. In his first two and a half years, the Governor has restored faith that State government can meet the needs of the people it serves. The final \$31.7 billion budget signed by Governor Christie fulfills key funding priorities without raising taxes or spending beyond the State's means. Notably, the Fiscal 2013 Budget maintains a surplus, a signal that aggressive management of State government works to ensure the strength of New Jersey's fiscal health. Job-creating tax relief will accelerate New Jersey's economy, making the state more competitive and fostering growth.

Budget Highlights

The Budget:

- Increases State aid to schools by \$199.2 million. Total education spending of \$8.87 billion is the highest in history. Fully one-third of the State Budget is committed to the Governor's goal of a quality education for every child.
- Makes a pension payment of \$1.03 billion, one of the largest payments into the pension system in state history.
- Provides \$347 million in job-creating business tax cuts and incentives.
- Funds \$393 million in student financial assistance – the highest total ever.
- Creates a new \$1 million Governor's Urban Scholarship program to provide students in New Jersey's urban communities the opportunities they need to succeed.
- Protects \$986 million in aid for New Jersey hospitals.
- Increases funding for placement services for individuals with developmental disabilities by \$34.4 million.
- Includes an additional \$2.5 million in funding for the Governor's initiative to establish a mandatory drug court for nonviolent offenders.

- Expands Veterans Haven with \$3.5 million to establish Veterans Haven North, providing housing and mental health services to in-need veterans.
- Increases State support for nursing homes by \$15 million over Fiscal Year 2012.
- Provides funding for children's programs including \$309.7 million to satisfy the goal of providing subsidized child care for eligible families regardless of where the child resides, while also providing \$1 million in new grant funding for after school and summer activity programs.
- Creates the Division of Children's System of Care within the Department of Children and Families to more holistically address the needs and concerns of families with children with developmental disabilities and other complex needs in one place.
- Takes care of those in need with a \$2 million increase above the funding proposed in February for transportation assistance benefitting senior citizens and disabled residents.
- Increases funding for the New Jersey Cancer Education and Early Detection (NJCEED) program by \$3.5 million, bringing total program funding to over \$9 million, while also providing an additional \$1 million for cancer research.

Where Does the Money Go?

The Programs and Services Behind the Fiscal 2013 Numbers

People Served/Items Purchased

Helping Those in Need



124,942,398	**	Subsidized School Lunches
8,150,000	**	Hunger Initiative -- Food Purchased (lbs)
3,886,324	*	Subsidized Drugs for Seniors and Disabled: PAAD Annual Prescriptions
954,200	*	Persons Receiving Health Care through Medicaid
495,120	*	Senior Gold Annual Prescriptions
354,659	*	Children and Adults Receiving Health Care via FamilyCare
323,267	*	Individuals Receiving Mental Health Services (Community Programs)
299,735	*	Energy Assistance -- Tenants and Homeowners Served
179,486		Children Receiving Services from Division of Child Protection and Permanency Services (DCP&P)
111,128		Temporary Assistance to Needy Families - Recipients
80,000		Cancer Institute of New Jersey -- Patient Visits
40,501		Individuals with Disabilities Served (Community Programs)
21,518		Adoption Subsidies/Foster Care: Average Daily Populations
4,300	*	State Rental Assistance -- Families Served

Protecting the Public's Safety



730,900	*	State Police Investigations (Criminal, Accident, and General)
228,894	*	Fire, Housing, and Construction Code Inspections
100,000	*	State Police -- Instances of Aid to Motorists
21,343	*	Inmates Supervised (Annual Average -- Excludes Community Programs)
15,650		Parolees Supervised
1,600		Forest Fire Responses
1,254		State-owned Bridge Safety Inspections
650	*	Criminal Indictments Obtained -- Criminal Justice

Preserving the Environment



18,000,000	**	Parks Visitors Served
15,000	*	Acres of Open Space Preserved: Via Green Acres
8,000		Via Farmland Acres
8,000	*	Air and Water Pollution Inspections

People Served/Items Purchased



303,000	*	Women, Infants, and Children -- Healthcare Recipients
217,000	*	Children Screened for Lead Poisoning
110,000	**	AIDS Clients Tested and Counseled
86,500		Number of Licensed Long Term Care Beds/Slots
42,000	*	Homes Tested for Radon
23,400	*	Breast Cancer and Cervical Cancer Screenings
3,800		Helicopter Response Missions for Traumatic Injuries
930	*	Long-Term Care Facilities Licensed

Transportation Services



455,051		Average Daily Mass Transit Ridership
13,067		Miles of Roads Maintained
6,073		Emergency and After-Hour Call Responses
3,000	*	Traffic Signals Maintained
1,000		Highway Lanes Under Construction
525		Lane Miles Resurfaced

Serving Businesses



521,721	*	State Professional Boards -- Total Regulated Licenses
93,000		Real Estate Brokers and Salespersons Licensed
83,500		Insurance Licenses Issued
6,800		Currently Participating Businesses -- Urban Enterprise Zones
5,000		Banking Licenses Issued
200		Recipients -- Business Employment Incentive Grants

Educating Our Children



1,421,576		Total Enrollment (Public School System)
892,627	*	Standardized Tests Administered
814,482		Pupils Transported -- Public/Non-Public
200,870		Special Ed Enrollment
146,647		Kindergarten/Preschool Enrollment
31,600	*	Charter School Enrollment
25,730		County Vocational Ed Enrollment

People Served/Items Purchased

Higher Education Student Assistance



196,399	New Jersey College Loans to State Students (NJCLASS)
74,591	Tuition Aid Grants (TAG, Full and Part Time)
5,110	NJ Student Tuition Assistance Reward Scholarship (NJSTARS I & II) Grants
1,750	Coordinated Garden State Scholarship Program Grants (Total)

Direct Property Tax Relief



822,700	Homestead Benefit Program (Recipients)
239,200	Veterans Claiming a Property Tax Deduction
203,100	Senior and Disabled Property Tax Freeze (Recipients)
62,700	Seniors and Disabled Claiming a Property Tax Deduction

Protecting our Residents



17,577	*	Mental Health Advocacy -- Representation of Individuals at Civil Commitment Hearings -- New Cases
7,100		Elder Advocacy -- Nursing Home/Boarding Home/Other Facility Visits
6,500		Elder Advocacy -- On-Site Investigations Regarding Care/Abuse/Neglect or Patient Funds
1,447		Rate Counsel -- Representation of Ratepayers on Cases Involving Utilities and Cable Television

* Data reported is related to a Key Performance Indicator in new Core Mission Summaries section of the Citizens' Guide.

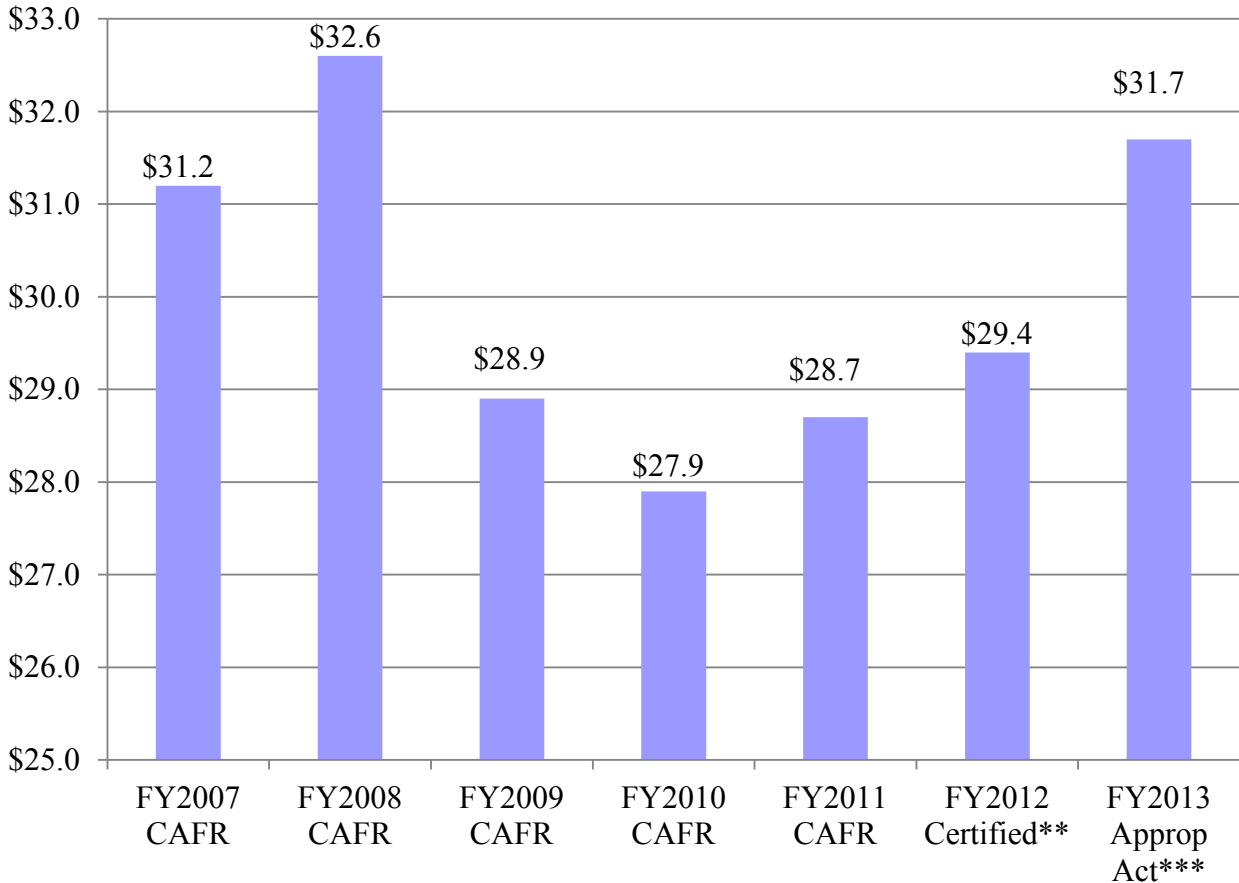
** Data reported is also published as a Key Performance Indicator in new Core Mission Summaries section of the Citizens' Guide.

Chapter 2: Charts and Graphs

History of Total Revenues*

FY 2013 Approximates FY 2007

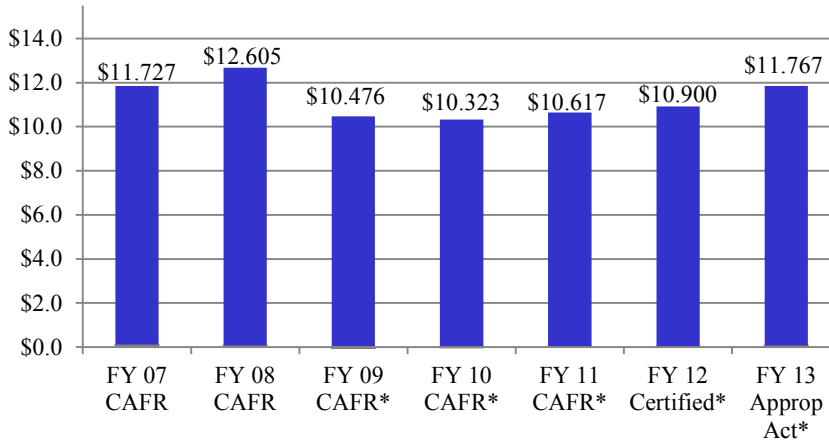
(In Billions)



* Not including federal stimulus aid
 ** FY2012 Estimate includes \$184 million of tax cuts; certified as of June 29, 2012
 *** FY2013 Estimate includes \$347.5 million of tax cuts enacted in FY2012
 CAFR – Comprehensive Annual Financial Report

Income Tax

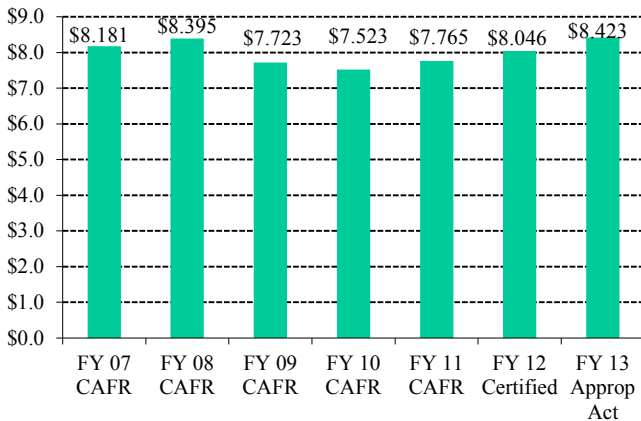
(In Billions)



* These revenues include changes in tax policy:
 FY 09 - Incremental Change in EITC Expansion (\$60 million); Includes \$88.9 million received from the Amnesty program
 FY 10 - Incremental Change in EITC (\$9.9 million); EITC Federal Reimbursement (\$150 million); Millionaire's Tax enacted
 FY 11 - Millionaire's Tax expired
 FY 12 - Includes \$23.0 million in tax cuts
 FY 13 - Includes \$67.0 million in tax cuts

Sales Tax

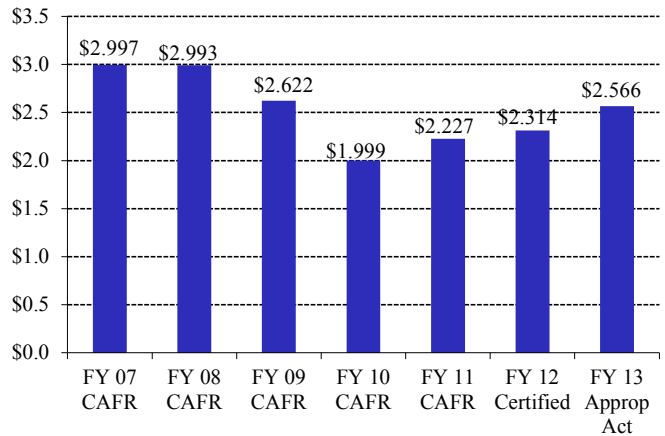
(In Billions)



FY 07 tax increases:
 – increased Sales Tax rate from 6% to 7%
 – broadened Sales Tax base
 FY 09 includes \$142.5 million received under the Amnesty program
 Sales Tax excludes the tax on energy

Corporation Business Tax

(In Billions)



FY 09 includes \$392.6 million received under the Amnesty program
 FY 11 4% Surcharge expired
 FY 12 includes \$70 million in tax cuts
 FY 13 includes \$127.5 million in tax cuts
 Corporation Business Tax excludes the tax on energy

FY 2013 Appropriations Act

(In Millions)

	FY 2012	-----FY 2013-----		
	June Cert.	Budget	May	Approp. Act
Opening Surplus	\$ 873	\$ 588	\$ 524	\$ 570
Revenues				
Income	\$ 10,900	\$ 11,837	\$ 11,584	\$ 11,767
Sales	8,046	8,449	8,423	8,423
Corporate	2,314	2,566	2,566	2,566
Other	8,144	9,006	9,002	8,977
Total Revenues	\$ 29,404	\$ 31,858	\$ 31,575	\$ 31,733
Lapses	587			
Total Resources	\$ 30,864	\$ 32,446	\$ 32,099	\$ 32,303
Appropriations				
Original	\$ 29,697	\$ 32,146	\$ 31,799	\$ 31,655
Supplemental	597			
FY 2012 Debt Service Funded from FY 2011 Resources	468			
Total Appropriations	\$ 30,762	\$ 32,146	\$ 31,799	\$ 31,655
FY 2011 Resources Used to Fund FY 2012 Debt Service	\$ 468			
Projected Fund Balance	\$ 570	\$ 300	\$ 300	\$ 648 *

* \$183 million is for the Property Tax Relief Fund.

Two Years of Pro-Growth Business Tax Relief

(In Millions)

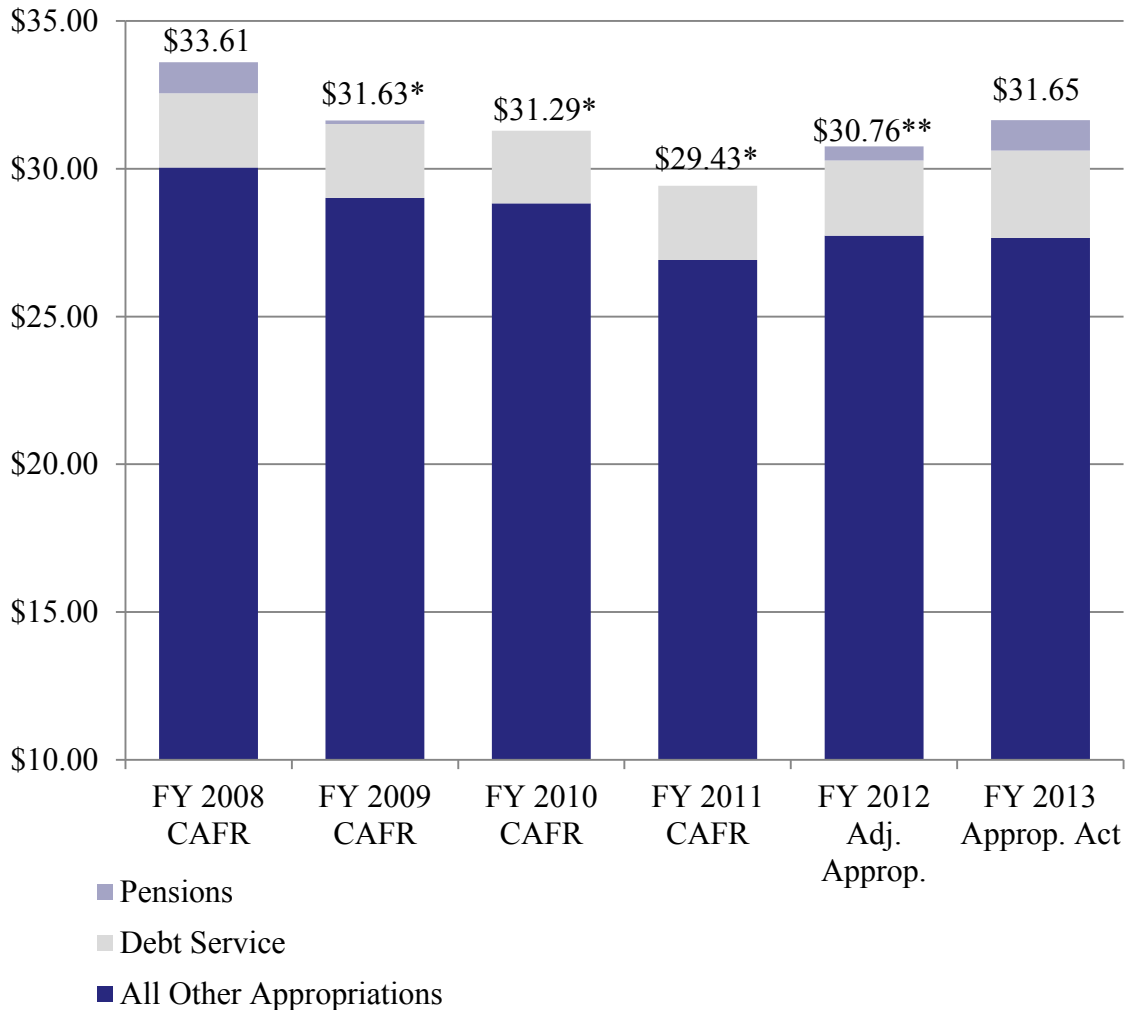
	Fiscal Impact*				
	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>
<u>Fiscal Year 2012 Initiatives</u>					
Gross Income Tax					
50% Phase-In Business Income/Loss					
Netting and Loss Carry-Forward Relief	\$ 23.0	\$ 67.0	\$ 117.0	\$ 167.0	\$ 200.0
Corporation Business Tax					
Three-Year Phase-In Single Sales Factor	\$ 24.0	\$ 38.5	\$ 60.5	\$ 87.5	\$ 98.0
Reduce S Corporation Minimum Tax 25%	13.0	23.0	23.0	23.0	23.0
Increase R&D Credit to 100%	33.0	66.0	66.0	66.0	66.0
	<u>\$ 70.0</u>	<u>\$ 127.5</u>	<u>\$ 149.5</u>	<u>\$ 176.5</u>	<u>\$ 187.0</u>
Economic Development					
Full Funding of Technology Business Tax					
Certificate Transfer Program	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0
Transitional Energy Facility					
Assessment					
Phase-out over three years	<u>\$ 61.0</u>	<u>\$ 123.0</u>	<u>\$ 245.0</u>	<u>\$ 245.0</u>	<u>\$ 245.0</u>
Total Fiscal Year 2012 Initiatives	<u>\$ 184.0</u>	<u>\$ 347.5</u>	<u>\$ 541.5</u>	<u>\$ 618.5</u>	<u>\$ 662.0</u>

* Estimates based on 2007 and 2008 data and do not reflect projections of growth in tax bases, inflation, demographics, or dynamic scoring. Proposals became operational on January 1, 2012.

Christie Administration Continues Commitment to Fiscal Restraint

Pension Payments and Debt Service Account for Year-to-Year Growth

(In Billions)

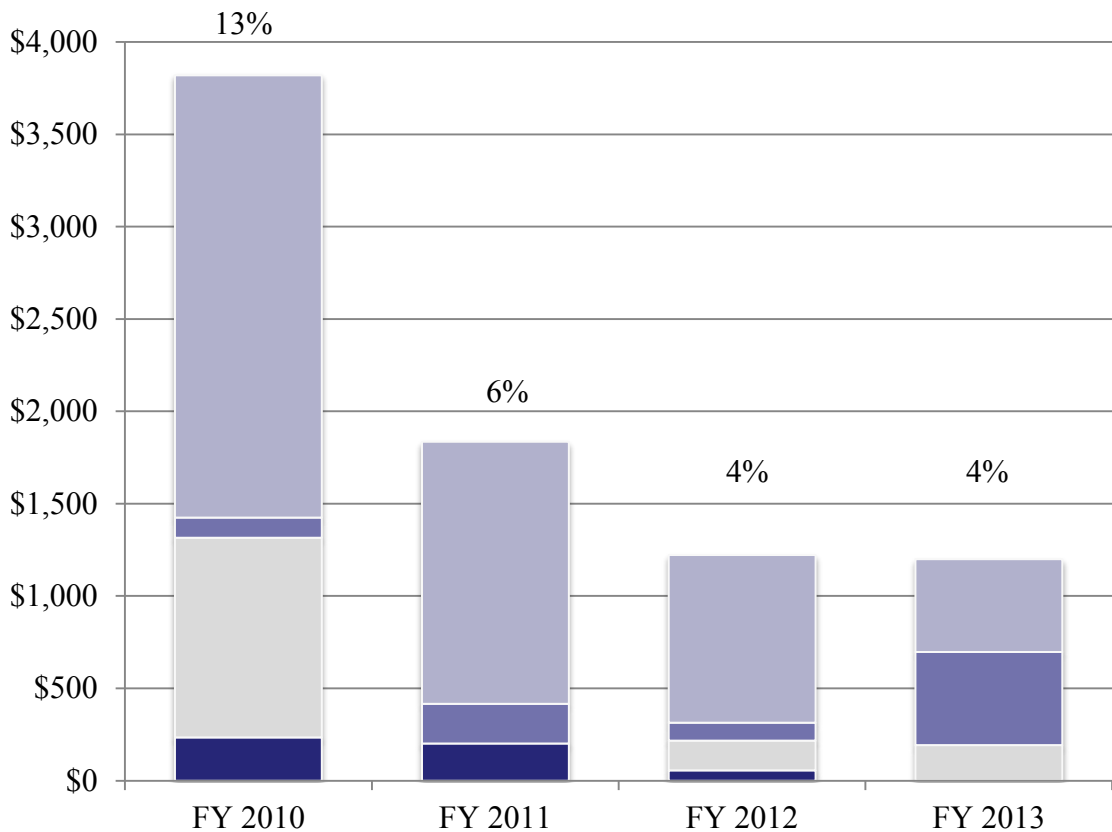


* Includes federal stimulus-supported expenditures that would have otherwise been State-supported expenditures.

** Includes FY 2012 debt service funded from FY 2011 resources.

Reliance on Non-Recurring Resources Reduced From 13% to 4% FY 2010 to FY 2013

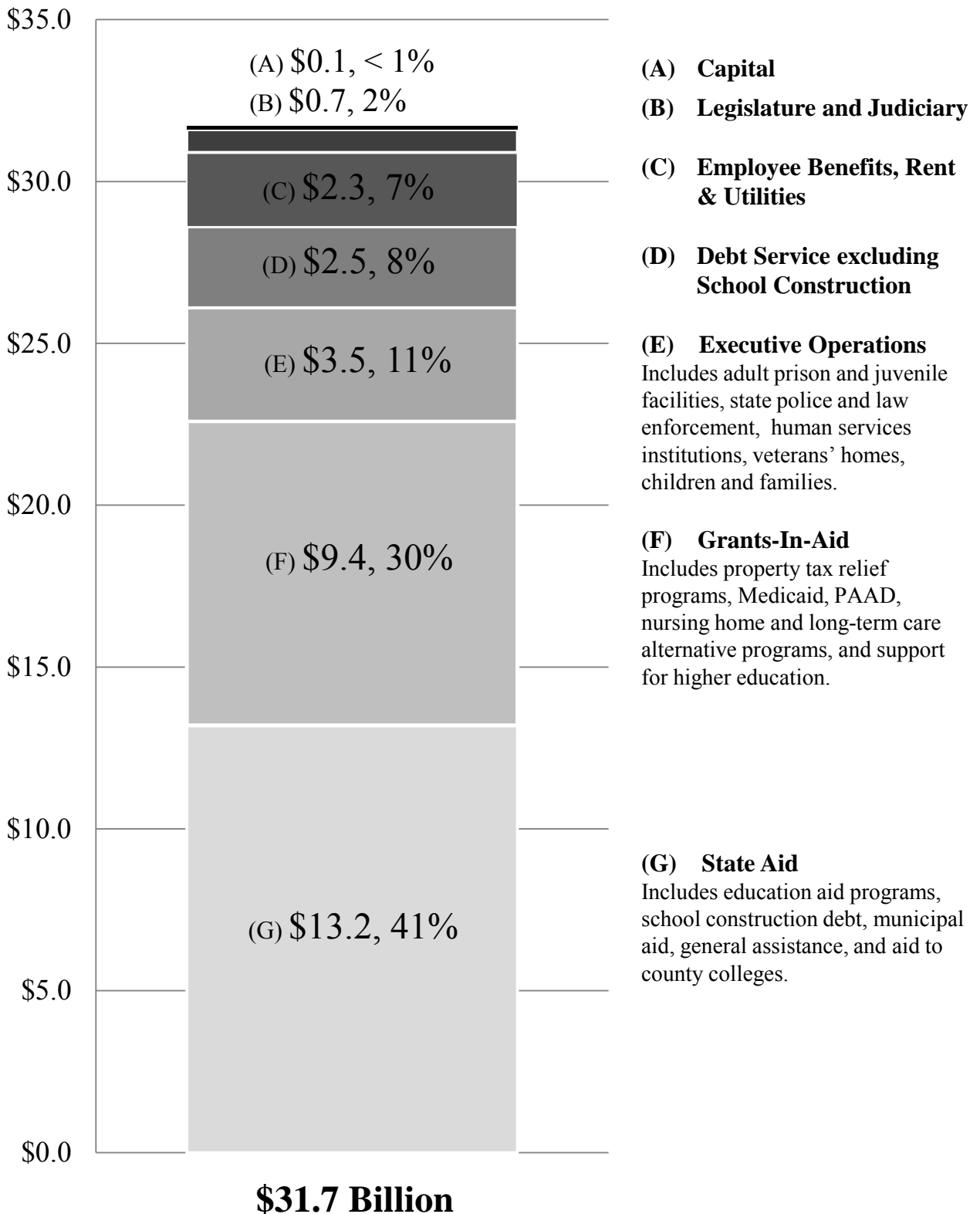
(In Millions)



- Spend Down Opening Surplus
- Tax Policy Changes
- Revenue Related Initiatives
- Appropriation Related Offsets

Building the Fiscal 2013 Budget

(In Billions)



FY 2013 Appropriations Act Details

(In Thousands)

Department	FY 2012	FY 2013	Change	
	Adjusted Approp.	Approp. Act*	\$	%
Chief Executive	\$ 6,013	\$ 6,013	\$ -	- %
Agriculture	19,776	19,776	-	-
Banking and Insurance	63,550	63,450	(100)	(0.2)
Children and Families	1,035,788	1,037,469	1,681	0.2
Community Affairs	746,491	750,918	4,427	0.6
Corrections	1,107,607	1,076,981	(30,626)	(2.8)
Education	10,046,753	10,293,818	247,065	2.5
Environmental Protection	328,007	340,764	12,757	3.9
Health	1,312,328	365,369	(946,959)	(72.2)
Human Services	5,488,434	6,310,092	821,658	15.0
Labor and Workforce Development	157,391	159,789	2,398	1.5
Law and Public Safety	566,608	567,359	751	0.1
Military and Veterans' Affairs	95,750	95,431	(319)	(0.3)
State	1,149,183	1,176,915	27,732	2.4
Transportation	1,336,349	1,237,502	(98,847)	(7.4)
Treasury	1,720,304	1,669,982	(50,322)	(2.9)
Miscellaneous Commissions	976	976	-	-
Total Executive Branch	\$ 25,181,308	\$ 25,172,604	\$ (8,704)	(0.0) %
Interdepartmental	3,403,114	3,703,920	300,806	8.8
Local Pensions and Health Benefits - Education and Treasury	1,152,618	1,617,348	464,730	40.3
General Obligation Debt Service - Environmental Protection and Treasury	276,934	411,947	135,013	48.8
Legislature	78,097	76,154	(1,943)	(2.5)
Judiciary	670,481	672,981	2,500	0.4
Total Appropriations	\$ 30,762,552	\$ 31,654,954	\$ 892,402	2.9 %

* The FY 2013 Appropriations Act reflects the transfer of various programs among departments to better align, streamline and restructure State government services.

** Includes \$468 million in FY 2012 debt service funded from FY 2011 resources.

Direct State Services By Department

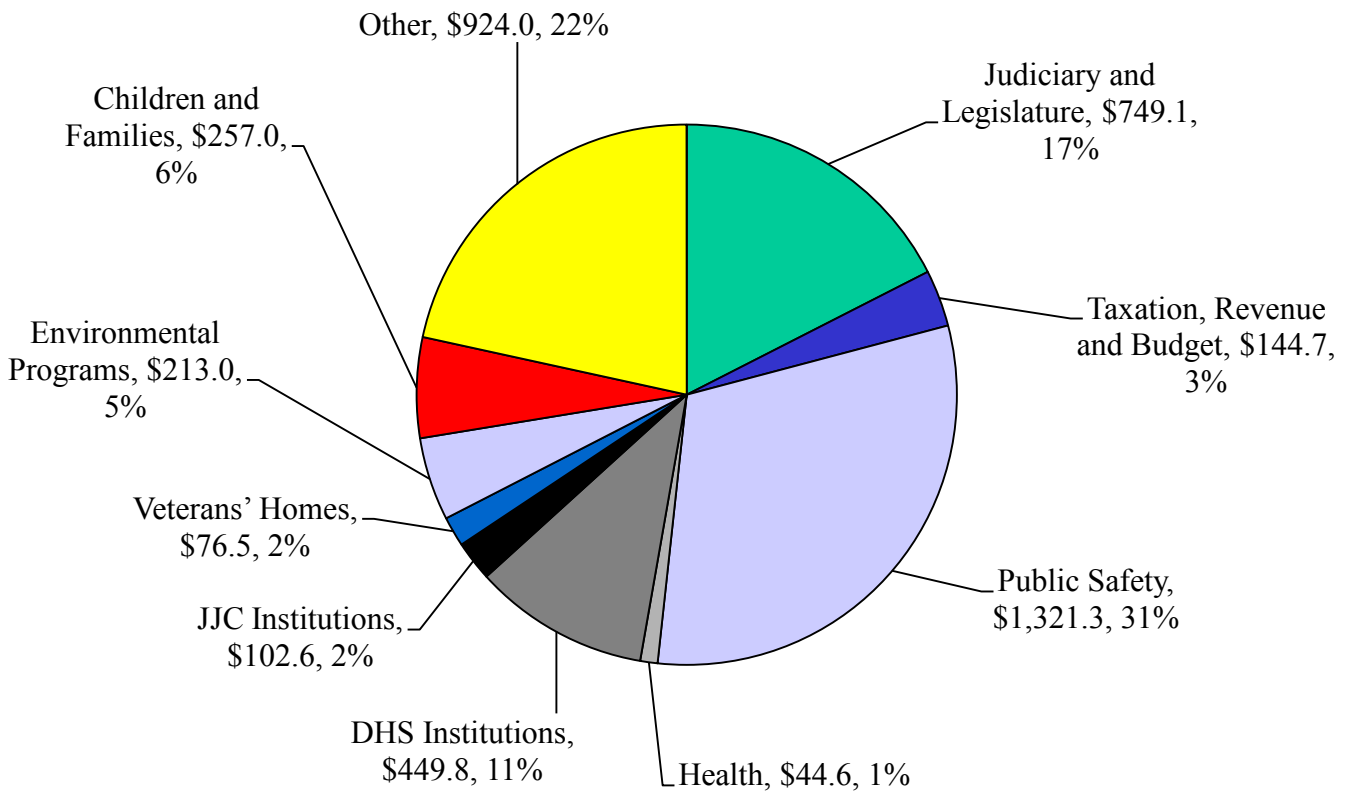
(In Thousands)

Department	FY 2012	FY 2013	Change	
	Adjusted Approp.	Approp. Act*	\$	%
Chief Executive	\$ 6,013	\$ 6,013	\$ -	- %
Agriculture	7,335	7,335	-	-
Banking and Insurance	63,550	63,450	(100)	(0.2)
Children and Families	296,850	257,045	(39,805)	(13.4)
Community Affairs	39,692	38,457	(1,235)	(3.1)
Corrections	980,809	951,640	(29,169)	(3.0)
Education	76,290	67,695	(8,595)	(11.3)
Environmental Protection	210,192	212,987	2,795	1.3
Health	52,831	44,648	(8,183)	(15.5)
Human Services	701,918	632,578	(69,340)	(9.9)
Labor and Workforce Development	90,439	92,837	2,398	2.7
Law and Public Safety	549,360	543,911	(5,449)	(1.0)
Military and Veterans' Affairs	92,676	92,757	81	0.1
State	29,349	28,247	(1,102)	(3.8)
Transportation	45,161	45,161	-	-
Treasury	456,167	447,751	(8,416)	(1.8)
Miscellaneous Commissions	976	976	-	-
Total Executive Branch	\$ 3,699,608	\$ 3,533,488	\$ (166,120)	(4.5) %
Interdepartmental	2,340,738	2,481,906	141,168	6.0
Legislature	78,097	76,154	(1,943)	(2.5)
Judiciary	670,481	672,981	2,500	0.4
Total Direct State Services	\$ 6,788,924	\$ 6,764,529	\$ (24,395)	(0.4) %

* The FY 2013 Appropriations Act reflects the transfer of various programs among departments to better align, streamline and restructure State government services.

FY 2013 State Operating Budget

(In Millions)



Total State Operating Budget is \$4.3 billion

The operating Budget excludes fringe benefits and centrally budgeted costs.

Funding for Property Tax Relief

(In Millions)

<u>Programs</u>	<u>FY 2012 Adjusted Approp.</u>	<u>FY 2013 Approp. Act</u>	<u>Change</u>
State Aid to School Districts	\$ 8,667.9	\$ 8,867.1	\$ 199.2
Other Aid for Education	1,890.4	2,845.6	955.2
Municipal Aid	1,474.9	1,461.7	(13.2)
Direct Property Tax Relief	1,164.5	1,131.1	(33.4) *
Other Local Aid	<u>660.2</u>	<u>694.3</u>	<u>34.1</u>
Total Property Tax Relief	<u>\$ 13,857.9</u>	<u>\$ 14,999.8</u>	<u>\$ 1,141.9</u>

* FY 2013 continues FY 2012 programs unaltered; change amount reflects actual program experience.

School Aid

(In Millions)

	FY 2012 Adjusted Approp.	FY 2013 Approp. Act	Change
State Aid to Schools			
Formula Aid	\$ 7,671.4	\$ 7,792.3	\$ 120.9
Preschool Education Aid	619.1	633.7	14.6
Extraordinary Special Education Aid	162.7	162.7	-
School Choice Aid	22.3	33.1	10.8
Payment Delay Savings	(83.0)	(15.0)	68.0
Charter School Aid	13.1	13.1	-
Nonpublic School Aid	88.5	82.5	(6.0)
School Building Aid	77.2	73.7	(3.5)
Debt Service Aid	58.1	58.0	(0.1)
Assessment of EDA Debt Service	(14.7)	(21.0)	(6.3)
Other Aid	53.2	54.0	0.8
Total State Aid to Schools	\$ 8,667.9	\$ 8,867.1	\$ 199.2
Direct State Payments for Education			
Teachers' Pension and Annuity Fund	\$ 325.3	\$ 645.0	\$ 319.7
Post Retirement Medical	762.1	877.7	115.6
Debt Service on Pension Obligation Bonds *	43.0	155.6	112.6
Teachers' Social Security	755.6	738.5	(17.1)
Total Direct State Payments for Education	\$ 1,886.0	\$ 2,416.8	\$ 530.8
School Construction Debt Service **	\$ 4.4	\$ 428.8	\$ 424.4
Total School Aid	\$ 10,558.3	\$ 11,712.7	\$ 1,154.4

* FY 2012 Appropriation was reduced because \$100.4 million in debt service costs were appropriated from funds in the FY 2011 budget.

** FY 2012 Appropriation was reduced because \$367.6 million in debt service costs were appropriated from funds in the FY 2011 budget.

Municipal Aid

(In Millions)

	<u>FY 2012 Adjusted Approp.</u>	<u>FY 2013 Approp. Act</u>	<u>Change</u>
Consolidated Municipal Property Tax Relief Aid (CMPTRA) / Energy Tax Receipts	\$ 1,293.9	\$ 1,342.1	\$ 48.2 *
Transitional Aid to Localities	170.1	108.7	(61.4) *
Open Space - Payments In Lieu of Taxes (PILOT)	6.5	6.5	-
Highlands Protection Fund Aid	<u>4.4</u>	<u>4.4</u>	<u>-</u>
Total Municipal Aid	<u>\$ 1,474.9</u>	<u>\$ 1,461.7</u>	<u>\$ (13.2)</u>

* FY 2013 includes the transfer of \$48.2 million from Transitional Aid to Localities to CMPTRA.

Direct Property Tax Relief

(In Millions)

	FY 2012 Adjusted Approp.	FY 2013 Approp. Act	Change
Homestead Benefit Program	\$ 458.0	\$ 398.5	\$ (59.5)
Property Tax Deduction Act	412.5	442.1	29.6
Senior/Disabled Citizens' Property Tax Freeze	213.1	213.5	0.4
Veterans' Property Tax Deductions	63.6	61.0	(2.6)
Senior/Disabled Citizens' Property Tax Deductions	<u>17.3</u>	<u>16.0</u>	<u>(1.3)</u>
Total Direct Property Tax Relief	<u>\$ 1,164.5</u>	<u>\$ 1,131.1</u>	<u>\$ (33.4) *</u>

* FY 2013 continues FY 2012 programs unaltered; change amount reflects actual program experience.

Higher Education

(in thousands)

	FY 2012	FY 2013	Change	
	Adjusted Approp.	Approp. Act	\$	%
Senior Public Institutions ^(a)				
Rutgers University	\$ 455,813	\$ 475,032	\$ 19,219	4.22%
UMDNJ	350,094	354,879	4,785	1.37%
NJIT	66,220	69,391	3,171	4.79%
Thomas Edison State College	8,452	9,160	708	8.38%
Rowan University	79,787	89,531	9,744	12.21%
New Jersey City University	49,356	52,462	3,106	6.29%
Kean University	59,418	62,935	3,517	5.92%
William Paterson University	61,890	65,499	3,609	5.83%
Montclair State University	78,268	82,853	4,585	5.86%
College of New Jersey	54,443	57,705	3,262	5.99%
Ramapo College of New Jersey	32,507	34,483	1,976	6.08%
Richard Stockton College of New Jersey	40,431	42,733	2,302	5.69%
Total Senior Publics	\$ 1,336,679	\$ 1,396,663	\$ 59,984	4.49%
County Colleges ^{(a)(b)}				
Retro-Active Pension Adjustment	\$ 170,013	\$ 176,804	\$ 6,791	3.99%
Chapter 12 Debt Service	7,245	-	(7,245)	-100.00%
	32,180	37,359	5,179	16.09%
Total County Colleges	\$ 209,438	\$ 214,163	\$ 4,725	2.26%
Student Financial Assistance				
Tuition Aid Grants	\$ 294,298	\$ 325,043	\$ 30,745 ^(c)	10.45%
Part-Time Tuition Aid Grants for County Colleges	9,611	10,360	749	7.79%
NJSTARS I & II	16,417	13,849	(2,568)	-15.64%
EOF Grants and Scholarships	38,322	38,822	500	1.30%
Coordinated Garden State Scholarship Programs ^(d)	3,315	1,630	(1,685)	-50.83%
Urban Scholarship Program	-	1,000	1,000	-
Other Student Aid Programs ^(d)	2,808	2,501	(307)	-10.93%
Total Student Financial Assistance	\$ 364,771	\$ 393,205	\$ 28,434	7.80%
Other Programs				
Debt Service ^(e)	\$ 51,336	\$ 50,621	\$ (715)	-1.39%
All other programs	4,052	4,793	741	18.29%
Total Other Programs	\$ 55,388	\$ 55,414	\$ 26	0.05%
Grand Total Higher Education	\$ 1,966,276	\$ 2,059,445	\$ 93,169	4.74%

(a) Includes appropriations for both direct operating support and net fringe benefits.

(b) Includes funding from Supplemental Workforce Fund for Basic Skills of \$16.3 million in FY 2012 and \$21.3 million in FY 2013.

(c) In addition, \$6 million from prior-year carryforward will support Tuition Aid Grants in FY 2013.

(d) FY 2013 is the last year of a planned phase-out for the following programs: Coordinated Garden State Scholarship Programs, Veterinary Medicine Education Program, and Martin Luther King Physician-Dentist Scholarship Act of 1986. The final year of phase-out for Ferguson Law Scholarships was FY 2012.

(e) Includes use of off-budget fund balances totaling \$8 million in FY 2012. 23

Hospital Funding

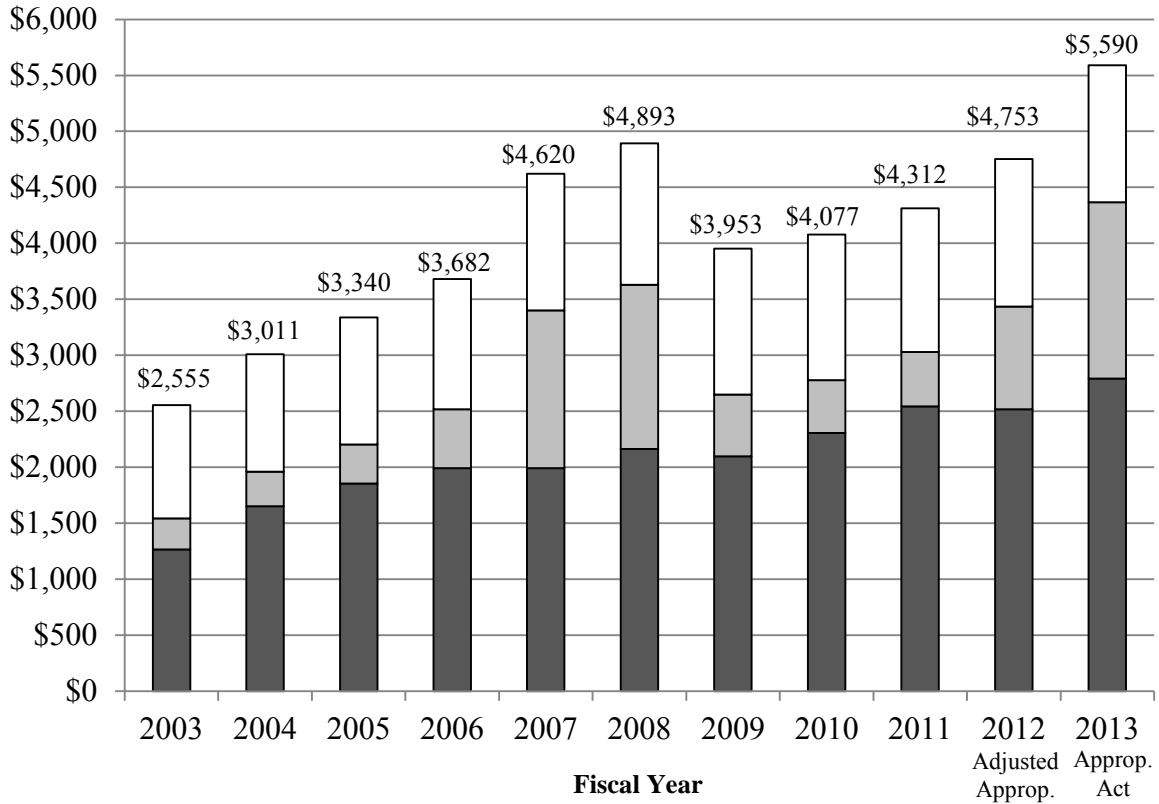
State and Federal

(In Millions)

	FY 2012 Adjusted Approp.	FY 2013 Approp. Act	Change
Charity Care	\$ 675.0	\$ 675.0	\$ -
Health Care Stabilization Fund	30.0	30.0	-
Hospital Relief Offset Payments	191.3	191.3	-
Graduate Medical Education	90.0	90.0	-
Total Hospital Funding	\$ 986.3	\$ 986.3	\$ -

Employee Benefit Costs

(In Millions)



- Employer Taxes
- Pensions/Debt Service on Pension Bonds
- Health Benefits/Post Retirement Medical

FY 2012 excludes \$100.4 million in debt service costs paid from FY 2011 resources.

The FY 2013 budget includes \$1.03 billion to fund an additional one-seventh contribution for the defined benefit pension plans.

State Pension Funding Levels As of June 30, 2011

(In Millions)

<u>System</u>	<u>Valuation Assets</u>	<u>Accrued Liability</u>	<u>Unfunded Liability</u>	<u>GASB* Funded Ratio</u>
State				
Public Employees - State	\$ 9,938.1	\$ 18,290.8	\$ 8,352.7	54.3%
Teachers	32,289.9	51,406.5	19,116.7	62.8%
Police & Fire - State	2,143.5	3,926.5	1,783.0	54.6%
State Police	2,002.8	2,581.9	579.1	77.6%
Judicial	305.2	585.7	280.5	52.1%
Consolidated Police & Fire	8.1	9.2	1.1	88.5%
Prison Officers	10.0	5.1	(4.9)	196.2%
Subtotal	46,697.6	76,805.7	30,108.1	60.8%
Local				
Public Employees - Local	18,996.3	24,679.1	5,682.8	77.0%
Police & Fire - Local	21,027.8	26,978.6	5,950.7	77.9%
Subtotal	40,024.1	51,657.7	11,633.6	77.5%
Total	\$ 86,721.7	\$ 128,463.4	\$ 41,741.7	67.5%

The pension funding levels reported above reflect changes in the economic assumptions used for the revised July 1, 2011 valuations. The changes include a reduction in assumed salary increases and a reduction in the assumed rate of investment return from 8.25% to 7.95%. (The actual investment returns for Fiscal Years 2010 and 2011 were positive 13.36% and positive 18.03%.)

The State's other post-employment benefit (OPEB) liability as of June 30, 2011 is \$49.0 billion (\$18.1 billion for State employees and \$30.9 billion for local education employees) and \$11.1 billion for local government employees.

* As calculated pursuant to the requirements of the Governmental Accounting Standards Board (GASB) for purposes of presentation in the Comprehensive Annual Financial Report (CAFR) of the State. It represents the quotient obtained by dividing the actuarial value of assets of the Pension Plan by the actuarial accrued liability of the Pension Plan.

Comparison of Appropriations Acts to Prior Year Adjusted Appropriations

(In Millions)

Fiscal Year	Approp. Act	Prior Year Adjusted Approp.*	Change	
			\$	%
2013	\$ 31,655.0	\$ 30,762.6 **	\$ 892.4	2.9
2012	30,164.6 **	30,333.5 ***	(168.9)	(0.6)
2011	29,397.5 ***	31,199.8 ***	(1,802.3)	(5.8)
2010	31,245.8 ***	33,060.6 ***	(1,814.8)	(5.5)
2009	32,868.5	34,580.6	(1,712.1)	(5.0)
2008	33,470.9	31,020.5	2,450.4	7.9
2007	30,818.7	28,087.7	2,731.0	9.7
2006	27,919.9	28,644.8	(724.9)	(2.5)
2005	28,027.3	24,569.1	3,458.2	14.1
2004	24,003.2	23,726.4	276.8	1.2
2003	23,401.7	23,218.6	183.1	0.8
2002	22,920.7	21,842.8	1,077.9	4.9
2001	21,419.7	20,163.5	1,256.2	6.2
2000	19,514.4	18,482.3	1,032.1	5.6
1999	18,123.8	17,141.3	982.5	5.7
1998	16,786.6	16,256.7	529.9	3.3
1997	15,977.8	16,297.3	(319.5)	(2.0)
1996	15,994.6	15,528.7	465.9	3.0
1995	15,280.7	15,608.7	(328.0)	(2.1)
1994	15,466.9	14,737.5	729.4	4.9
1993	14,625.5	14,955.7	(330.2)	(2.2)
1992	14,651.5	12,638.8	2,012.7	15.9
1991	12,423.8	12,165.9	257.9	2.1
1990	11,995.0	11,904.1	90.9	0.8
1989	11,775.1	10,569.4	1,205.7	11.4
1988	10,396.5	9,355.9	1,040.6	11.1
1987	9,279.4	8,959.2	320.2	3.6
1986	8,681.2	7,946.1	735.1	9.3
1985	7,693.3	6,865.2	828.1	12.1
1984	6,771.8	6,289.5	482.3	7.7
1983	6,181.7	5,741.5	440.2	7.7
1982	5,691.3	5,151.3	540.0	10.5
1981	5,107.1	4,739.6	367.5	7.8
1980	4,652.1	4,436.6	215.5	4.9
1979	4,394.4	4,066.5	327.9	8.1
1978	4,010.6	3,486.2	524.4	15.0
1977	2,853.3	2,674.6	178.7	6.7
1976	2,698.1	2,794.4	(96.3)	(3.4)
1975	2,756.1	2,406.9	349.2	14.5
1974	2,385.7	2,090.5	295.2	14.1
1973	2,047.7	1,822.4	225.3	12.4
1972	1,779.3	1,616.6	162.7	10.1
1971	1,557.5	1,370.0	187.5	13.7
1970	1,334.4	1,136.8	197.6	17.4
1969	1,088.5	1,021.0	67.5	6.6
1968	992.7	888.2	104.5	11.8
1967	876.6	654.9	221.7	33.9
1966	639.4	592.9	46.5	7.8
1965	584.1	554.9	29.2	5.3
1964	543.8	505.9	37.9	7.5
1963	499.4	469.3	30.1	6.4
1962	467.2	437.2	30.0	6.9
1961	431.8	412.3	19.5	4.7
1960	405.1	395.9	9.2	2.3
1959	388.6	340.7	47.9	14.1
1958	342.5	324.2	18.3	5.6
1957	320.8	299.8	21.0	7.0
1956	284.4	247.7	36.7	14.8
1955	234.8	185.2	49.6	26.8
1954	219.7	211.9	7.8	3.7
1953	210.7	179.2	31.5	17.6
1952	176.8	168.6	8.2	4.9
1951	164.1	164.5	(0.4)	(0.2)

* Original Appropriations Act plus Supplementals.

** Includes \$468 million in FY 2012 debt service funded from FY 2011 resources.

*** Includes federal stimulus aid used for budget relief that otherwise would have needed a State appropriation.

Comparison of Appropriations Acts

(In Millions)

Fiscal Year	Approp. Act	Change	
		\$	%
2013	\$ 31,655.0	\$ 1,490.4	4.9
2012	30,164.6 *	767.1	2.6
2011	29,397.5 **	(1,848.3)	(5.9)
2010	31,245.8 **	(1,622.7)	(4.9)
2009	32,868.5	(602.4)	(1.8)
2008	33,470.9	2,652.2	8.6
2007	30,818.7	2,898.8	10.4
2006	27,919.9	(107.4)	(0.4)
2005	28,027.3	4,024.1	16.8
2004	24,003.2	601.5	2.6
2003	23,401.7	481.0	2.1
2002	22,920.7	1,501.0	7.0
2001	21,419.7	1,905.3	9.8
2000	19,514.4	1,390.6	7.7
1999	18,123.8	1,337.2	8.0
1998	16,786.6	808.8	5.1
1997	15,977.8	(16.8)	(0.1)
1996	15,994.6	713.9	4.7
1995	15,280.7	(186.2)	(1.2)
1994	15,466.9	841.4	5.8
1993	14,625.5	(26.0)	(0.2)
1992	14,651.5	2,227.7	17.9
1991	12,423.8	428.8	3.6
1990	11,995.0	219.9	1.9
1989	11,775.1	1,378.6	13.3
1988	10,396.5	1,117.1	12.0
1987	9,279.4	598.2	6.9
1986	8,681.2	987.9	12.8
1985	7,693.3	921.5	13.6
1984	6,771.8	590.1	9.5
1983	6,181.7	490.4	8.6
1982	5,691.3	584.2	11.4
1981	5,107.1	455.0	9.8
1980	4,652.1	257.7	5.9
1979	4,394.4	383.8	9.6
1978	4,010.6	1,157.3	40.6
1977	2,853.3	155.2	5.8
1976	2,698.1	(58.0)	(2.1)
1975	2,756.1	370.4	15.5
1974	2,385.7	338.0	16.5
1973	2,047.7	268.4	15.1
1972	1,779.3	221.8	14.2
1971	1,557.5	223.1	16.7
1970	1,334.4	245.9	22.6
1969	1,088.5	95.8	9.7
1968	992.7	116.1	13.2
1967	876.6	237.2	37.1
1966	639.4	55.3	9.5
1965	584.1	40.3	7.4
1964	543.8	44.4	8.9
1963	499.4	32.2	6.9
1962	467.2	35.4	8.2
1961	431.8	26.7	6.6
1960	405.1	16.5	4.2
1959	388.6	46.1	13.5
1958	342.5	21.7	6.8
1957	320.8	36.4	12.8
1956	284.4	49.6	21.1
1955	234.8	15.1	6.9
1954	219.7	9.0	4.3
1953	210.7	33.9	19.2
1952	176.8	12.7	7.7
1951	164.1		

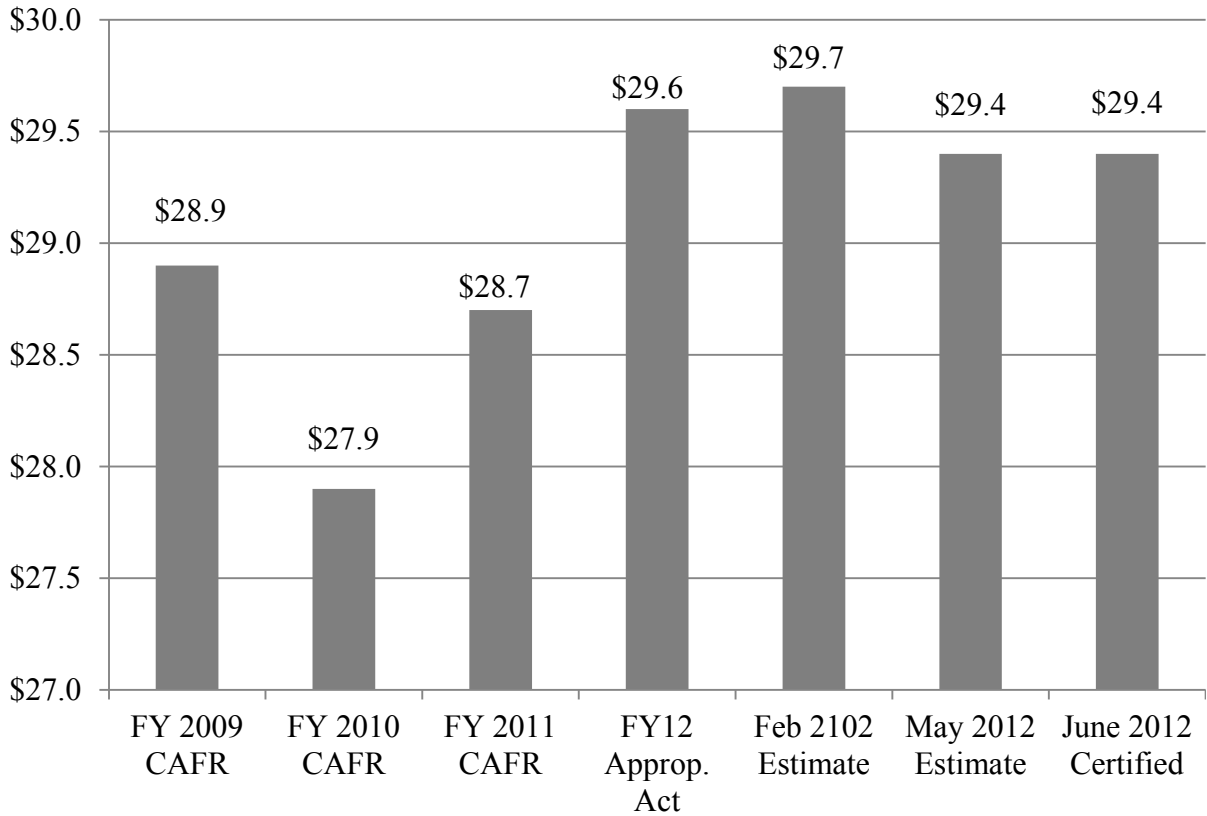
* Includes \$468 million in FY 2012 debt service funded from FY 2011 resources.

** Includes federal stimulus aid used for budget relief that otherwise would have needed a State appropriation.

Fiscal Year 2012 Update

History of FY 2012 Revenues*

(In Billions)



* Excludes federal stimulus aid received in FY 2009, FY 2010, and FY 2011.

FY 2012 Revenues*

(In Millions)

	FY 2011 CAFR	-----FY 2012-----		Cert. vs. Approp. Act Change		
		Approp. Act	Feb 2012 Budget	June 2012 Certified	\$	%
Income	\$ 10,617	\$ 11,132	\$ 11,132	\$ 10,900	\$ (232)	(2.1)
Sales	7,765	8,153	8,071	8,046	(107)	(1.3)
Corporate	2,227	2,261	2,314	2,314	53	2.3
Other**	<u>8,051</u>	<u>8,095</u>	<u>8,174</u>	<u>8,144</u> ***	<u>49</u>	0.6
Total	<u>\$ 28,660</u>	<u>\$ 29,641</u>	<u>\$ 29,691</u>	<u>\$ 29,404</u>	<u>\$ (237)</u>	(0.8)

* Excludes federal stimulus aid

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

*** Includes Clean Energy of \$210 million

FY 2012 Fund Balance

(In Millions)

	<u>Approp. Act</u>	<u>Feb 2012 Budget</u>	<u>May 2012 Revised</u>	<u>June 2012 Cert.</u>
Opening Surplus	\$ 696	\$ 873	\$ 873	\$ 873
Revenues				
Income	\$ 11,132	\$ 11,132	\$ 10,900	\$ 10,900
Sales	8,153	8,071	8,046	8,046
Corporate	2,261	2,314	2,314	2,314
Other	8,095	8,174	8,144	8,144
Total Revenues	\$ 29,641	\$ 29,691	\$ 29,404	\$ 29,404
Lapses	-	545	635	587
Total Resources	\$ 30,337	\$ 31,109	\$ 30,912	\$ 30,864
Appropriations				
Original	\$ 29,697	\$ 29,697	\$ 29,697	\$ 29,697
Supplemental	-	824	691	597
FY 2012 Debt Service Funded from FY 2011 Resources	468	468	468	468
Total Appropriations	\$ 30,165	\$ 30,989	\$ 30,856	\$ 30,762
FY 2011 Resources Used to Fund FY 2012 Debt Service	\$ 468	\$ 468	\$ 468	\$ 468
Projected Fund Balance	\$ 640	\$ 588	\$ 524	\$ 570 *

* \$1.2 million is for the Gubernatorial Elections Fund, and \$0.3 million is for the Casino Control Fund.

FY 2012 Additional Needs and Surplus Balances

(In Thousands)

Additional Needs

Original Act Underfunding

Employee Health Benefits	\$	181,000	
Transitional Aid to Localities		139,000	
Senior and Disabled Citizens' Property Tax Freeze		11,700	
School Construction Debt Service		4,370	
Transitional Aid to Localities - Administrative Costs		1,500	
Subtotal - Underfunding			\$ 337,570

Medicaid - No Comprehensive Waiver Savings			181,303
Developmental Disabilities - Federal ICF/MR Revenue Shortfall			28,866
Transitional Aid to Localities - Newark Grant			21,118
Hoboken Hospital			16,000
New Jersey Sports and Exposition Authority Operating Subsidy			15,000
Employer Unemployment Insurance			10,206
NJ SMART			10,153
UMDNJ Self-Insurance Reserve Fund			10,000
Deappropriations - Transportation and Teachers' FICA			(86,000)
Miscellaneous - None Greater than \$10 million			53,780
Total Additional Needs			\$ 597,996

Surplus Balances

Employer Taxes/Employee Benefits/Salary Increases	\$	67,785	
Department of Children and Families		55,718	
Homestead Benefit Program		48,800	
Department of Corrections and State Parole Board		43,619	
Prior Year/Normal Balances		42,241	
Division of Mental Health		27,062	
Pharmaceutical Assistance to the Aged and Disabled		25,291	
New Jersey Transit Operating Surplus		24,373	
General Assistance/Supplemental Security Income		21,417	
Motor Vehicle Commission		20,000	
AIDS Drug Distribution Program		19,000	
Division of Developmental Disabilities		16,861	
Higher Education Capital Improvement Fund		15,297	
Division of Family Development IT - Increased Federal Funding		15,000	
NJ STARS		12,406	
General Obligation Bonds Cash Defeasance		11,618	
Workers' Compensation		10,000	
Miscellaneous - None Greater than \$10 million			110,955
Total Surplus Balances			\$ 587,443

Chapter 3: Economic Overview & Revenue Forecast



CHAPTER 3: ECONOMIC OVERVIEW AND REVENUE FORECAST

New Jersey Economic Overview

New Jersey's expansion appears to have gained some traction, but the State's economy continues to perform under previous peak levels. Expansion is likely to continue, according to projections made by the Office of the Chief Economist and other analysts in the Department of the Treasury.

- Payroll employment in New Jersey is projected to increase by 1.4% in calendar 2012, which would be the largest gain since 2000. State analysts forecast that job generation will accelerate by 1.6% in calendar 2013. However, the administration's forecast is that the number of jobs in the state will remain slightly below the January 2008 peak.
- Personal income of New Jersey residents was the highest on record in the first quarter of 2012. It was the fifth consecutive quarter that personal income rose to a record high. Wages and salaries paid by New Jersey employers in the first quarter of 2011 were 2.7% higher than a year earlier, but were modestly under their first quarter 2008 peak. For 2012 as a whole, personal income is expected to increase 3% and rise another 4.4% in 2013. Record personal income figures are expected for both years.
- New Jersey's unemployment rate was 9.6% in June 2012. Over the prior year New Jersey's unemployment rate has moved up slightly, in large part due to growth in the state's labor force that has substantially exceeded the underlying growth in the working-age population. It appears that the upswing in the labor force may be the result of previously discouraged workers starting to seek jobs and thus getting formally counted as unemployed for the first time. The state's unemployment rate is expected to gradually decline, from an average of 9.1% in 2012 to 8.6% in 2013.
- New car sales have strengthened in 2012, averaging more than 13% higher in the first six months of the year than in the same period of 2011. Auto sales are expected to continue to move up over the balance of 2012 and into 2013.
- The pace of homebuilding is picking up rapidly, with permits in the state in the first five months of 2012 more than 20% higher than the number granted in the same period of 2011. Activity is expected to continue to rise through the remainder of 2012 and into 2013, spurred by pent-up demand for housing and low interest rates and prices. Nonetheless, the absolute level of homebuilding will remain low, in part due to New Jersey having the highest rate of foreclosure in the Northeast. Foreclosures depress prices, sales, and construction.
- The risk remains that the nation will fall back into recession. Global financial markets remain under considerable pressure as a result of the European debt crisis; the deterioration in the European economy has affected manufacturing and commodity markets around the globe, and ongoing disputes about U.S. economic policy have added to uncertainty. A sudden restriction in the flow of credit to households, businesses, and governments would imperil economic growth. Thus, the direction of the economy nationally and in the state hinges on the stabilization of financial markets as well as improved confidence in the outlook, as well as sound national economic policies.

Fiscal 2013 Revenue Projections

Total revenues for fiscal year 2013 are expected to be \$31.7 billion, which is \$2.3 billion, or 7.9%, above the June certified fiscal year 2012 anticipated levels. New Jersey is projecting a pick up in the growth of base revenues in fiscal year 2013 as the economic recovery gains traction.

FY 2013 Revenues

(In Millions)

	FY 2012	FY 2012	FY 2013	Change to	
	Approp. Act	Certified*	Approp. Act*	Certified	
				\$	%
Income	\$ 11,132	\$ 10,900	\$ 11,767	\$ 867	8.0 %
Sales	8,153	8,046	8,423	377	4.7
Corporate	2,261	2,314	2,566	252	10.9
Other**	<u>8,095</u>	<u>8,144</u>	<u>8,977</u>	<u>833</u>	10.2
Total	<u>\$ 29,641</u>	<u>\$ 29,404</u>	<u>\$ 31,733</u>	<u>\$ 2,329</u>	7.9 %

* FY2012 Revenue Estimate includes \$184 million of tax cuts

FY2013 Revenue Estimate includes \$347.5 million of tax cuts

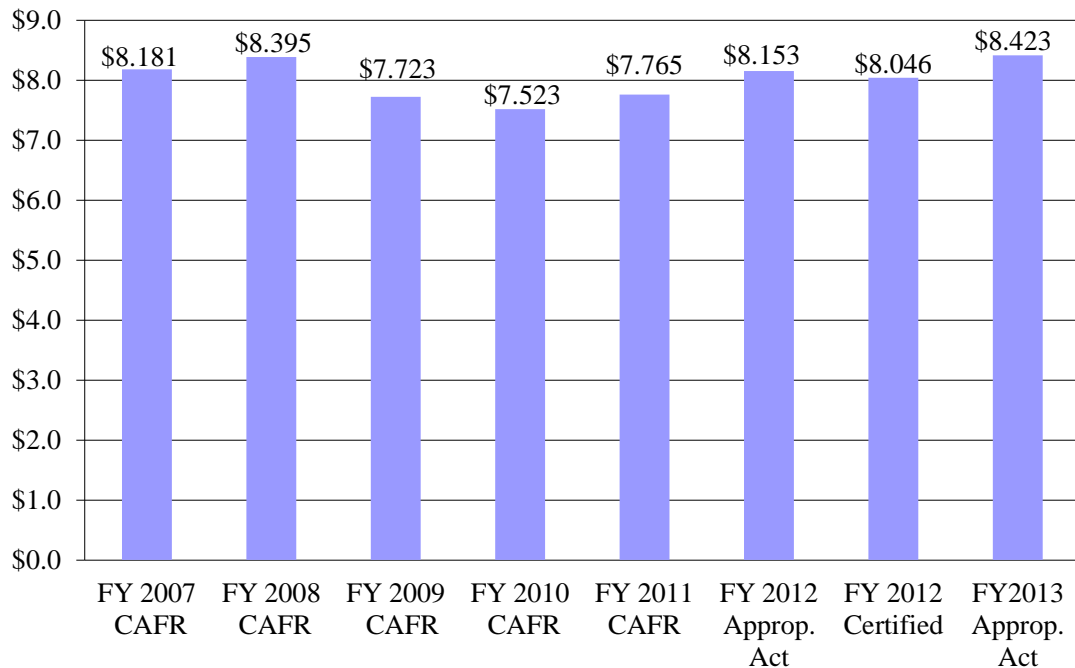
** All Sales Tax and Corporation Business Tax on Energy are included in Other

Sales Tax

The forecast of \$8.4 billion in Sales Tax revenue for fiscal year 2013 is an increase of \$377 million over the fiscal year 2012 level certified in June. The 4.7% growth is mainly a consequence of expected growth in consumer spending as employment and incomes gradually recover and economic confidence is restored. In particular, it is anticipated that household outlays will be shifting to big ticket taxable items such as automobiles and home improvement supplies and furnishings.

Sales Tax

(In Billions)



FY 2007 tax increases:

- increased Sales Tax rate from 6% to 7%
- broadened Sales Tax base

FY 2009 includes \$142.5 million received under the Amnesty program

Sales Tax excludes the tax on energy

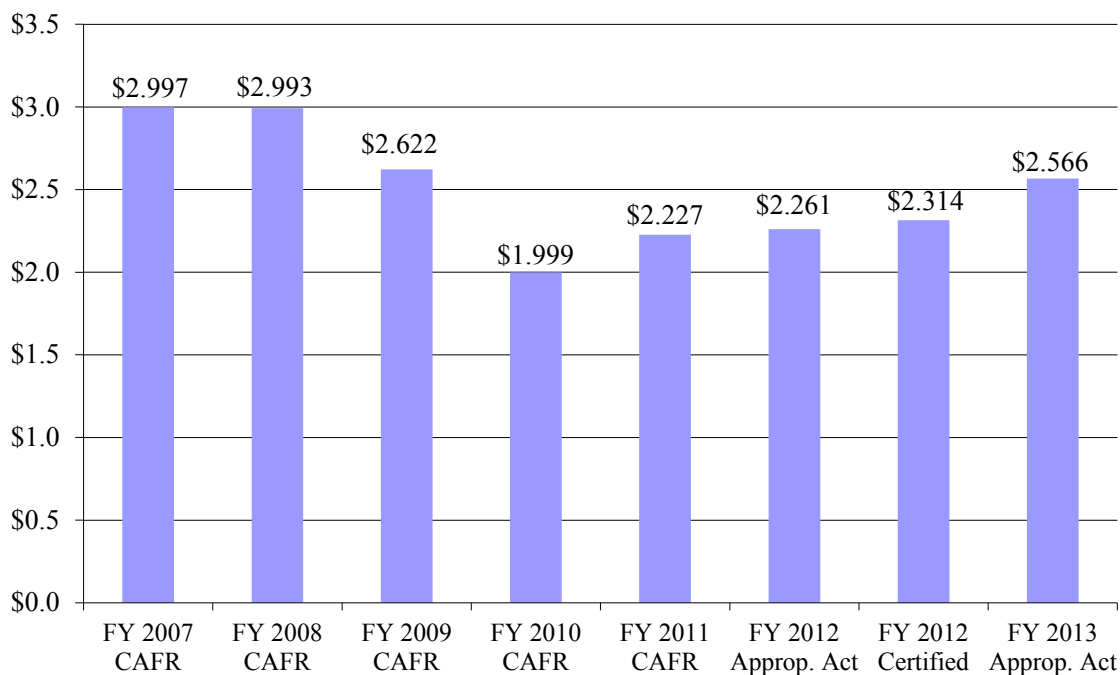
CAFR – Comprehensive Annual Financial Report

Corporation Business Tax

The Corporation Business Tax forecast of \$2.6 billion for fiscal year 2013 is \$252 million, or 10.9% above the June certified fiscal year 2012 level. The revenue projection is based primarily on a forecast that corporate taxes will grow as the economy and pre-tax earnings expand, as well as a step-up in revenues collected as a result of settlements of pending cases. The forecast also incorporates assumptions about the impact of the 2011 tax reform as well as the resumption of tax credit redemptions under a number of programs.

Corporation Business Tax

(In Billions)



FY 2009 includes \$392.6 million received under the Amnesty program

FY 2011 4% Surcharge expired

FY 2012 includes \$70.0 million in tax cuts

FY 2013 includes \$127.5 million in tax cuts

Corporation Business Tax excludes the tax on energy

CAFR – Comprehensive Annual Financial Report

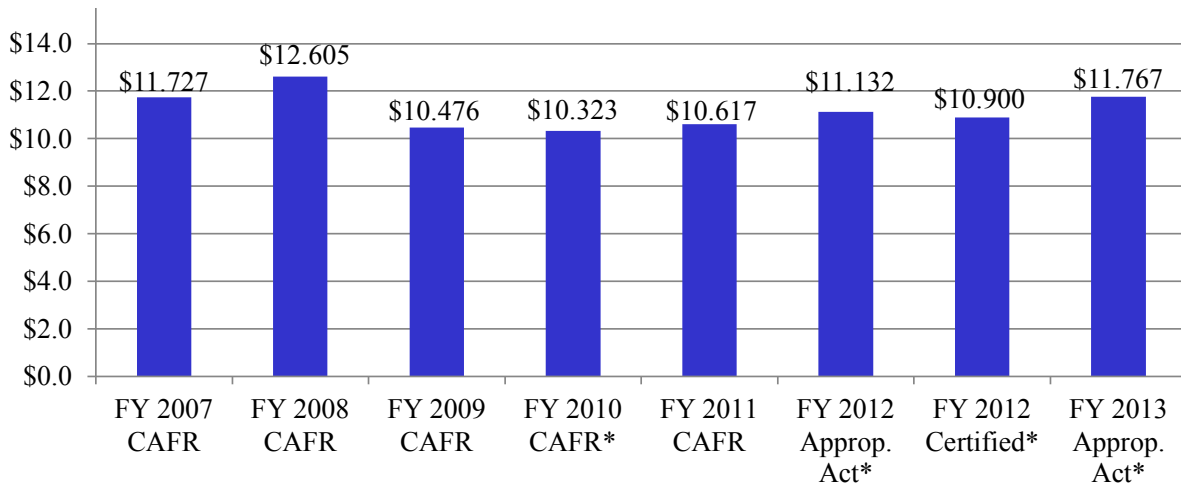
Gross Income Tax

For fiscal year 2013 the Gross Income Tax is projected to yield approximately \$11.8 billion. The estimate is \$867 million or 8% above the June certified fiscal year 2012 figure. The anticipated increase in income tax revenues reflects the continuing pickup in the growth of household income. The estimate does not incorporate the tax cut proposed in the Governor’s Budget, which the Legislature did not approve.

New Jersey’s income tax revenue is highly sensitive not only to the growth in aggregate income, but also to its distribution. Households reporting more than \$100,000 in taxable income (about 20% of New Jersey taxpayers) have accounted for more than 85% of the State’s income tax revenue in most recent years. This group has generally earned less than 70% of the State’s aggregate taxable income. It is anticipated that with the firming of economic growth, a larger share of aggregate income will be subject to tax at the rates in higher brackets, allowing for substantial growth in income tax receipts.

Income Tax

(In Billions)



* These revenues include changes in tax policy.

FY 2009 - Incremental Change in EITC Expansion (\$60 million)

FY 2009 - Includes \$88.9 million received from the Amnesty program

FY 2010 - Incremental Change in EITC (\$9.9 million)

FY 2010 - EITC Federal Reimbursement (\$150 million)

FY 2010 - Millionaire’s Tax approved for Calendar 2009

FY 2011 - Millionaire’s Tax expired for Calendar 2010

FY 2012 - Includes \$23.0 million in tax cuts

FY 2013 - Includes \$67.0 million in tax cuts

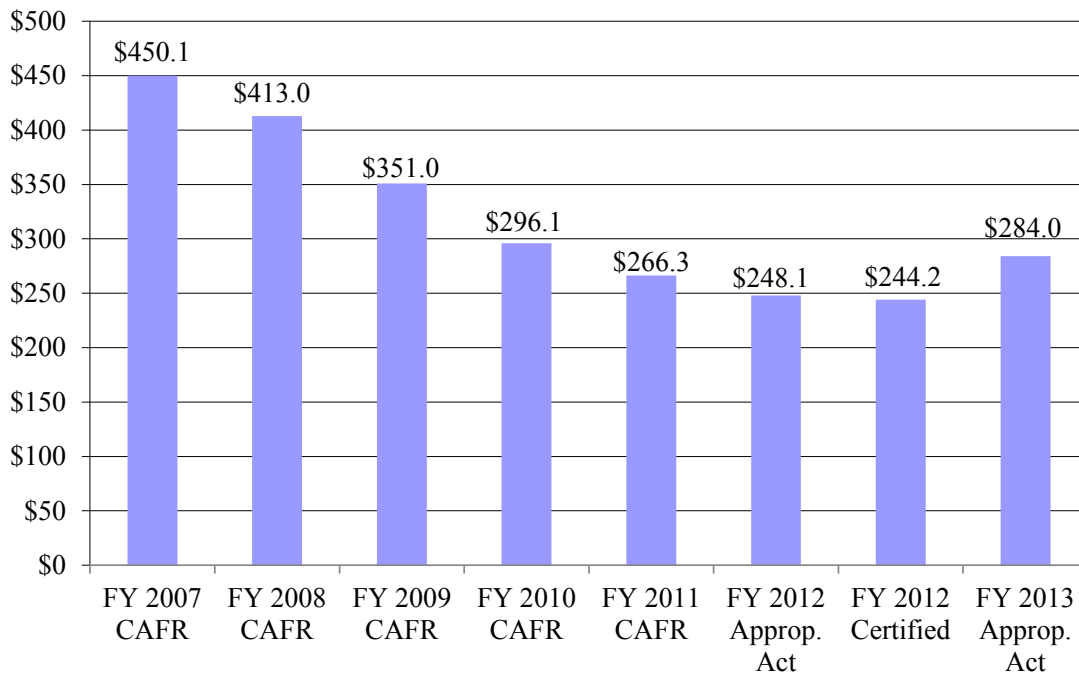
CAFR - Comprehensive Annual Financial Report

Casino Revenue

For fiscal year 2013, the forecast is a \$39.8 million, or a 16.3%, increase in casino tax collection from the June certified fiscal year 2012 estimate. It is anticipated that a new casino opening, along with new marketing efforts promoting Atlantic City as a destination location with a variety of leisure and entertainment options, will increase visitor and gaming activity volumes. Total casino tax collections are projected to be \$284 million, compared with the June certified fiscal year 2012 estimate of \$244.2 million.

Casino Revenue

(In Millions)



CAFR – Comprehensive Annual Financial Report

Chapter 4: Budget Details

REVENUE CERTIFICATION

In accordance with the provisions of Article VIII, Section II, Paragraph 2 of the State Constitution, I hereby certify that the resources listed below are available to support appropriations for the fiscal year ending June 30, 2013.

GENERAL FUND

Undesignated Fund Balance, July 1, 2012	\$ 568,509,000
All Revenues-same as S2013	18,975,363,000
Except for: Enhanced Managed Care Third Party Fraud and Abuse Recoveries	(10,000,000)
Enhanced Debt Collection	(10,000,000)
Enterprise Zone Assistance Fund	(1,000,000)
Transfer to Gubernatorial Elections Fund	(4,259,000)
Transfer from Property Tax Relief Fund	68,880,000
	<u>68,880,000</u>
Total Resources, General Fund	<u>\$ 19,587,493,000</u>

PROPERTY TAX RELIEF FUND

Undesignated Fund Balance, July 1, 2012	\$ -
All Revenues-same as S2013	12,388,924,000
Except for: Gross Income Tax	50,000,000
Transfer to General Fund	(68,380,000)
	<u>(68,380,000)</u>
Total Resources, Property Tax Relief Fund	<u>\$ 12,370,044,000</u>

GUBERNATORIAL ELECTIONS FUND

Undesignated Fund Balance, July 1, 2012	\$ 1,241,000
All Revenues-same as S2013	700,000
Transfer from General Fund	4,259,000
	<u>4,259,000</u>
Total Resources, Gubernatorial Elections Fund	<u>\$ 6,200,000</u>

CASINO REVENUE FUND

Undesignated Fund Balance, July 1, 2012	\$ -
All Revenues-same as S2013	283,978,000
	<u>283,978,000</u>
Total Resources, Casino Revenue Fund	<u>\$ 283,978,000</u>

CASINO CONTROL FUND

Undesignated Fund Balance, July 1, 2012	\$ 250,000
All Revenues-same as S2013	55,094,000
	<u>55,094,000</u>
Total Resources, Casino Control Fund	<u>\$ 55,344,000</u>

SURPLUS REVENUE FUND

Undesignated Fund Balance, July 1, 2012	\$ -
	<u>-</u>
Total Resources, Surplus Revenue Fund	<u>\$ -</u>

GRAND TOTAL, ALL STATE FUNDS

\$ 32,303,059,000

FEDERAL FUNDS

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

Respectfully,

[seal]

/s/ Chris Christie

Governor

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor

SUMMARY OF FISCAL YEAR 2012-13 APPROPRIATIONS

(thousands of dollars)

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

	FY 2012 Adjusted Approp.	FY 2013 Approp. Act	----- Change -----	
			\$	%
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	\$ 21,757,594	\$ 22,805,681	\$ 1,048,087	4.8 %
State Operations				
Executive Branch	\$ 3,642,783	\$ 3,477,181	\$ (165,602)	(4.5)
Legislature	78,097	76,154	(1,943)	(2.5)
Judiciary	670,481	672,981	2,500	0.4
Interdepartmental	2,340,738	2,481,906	141,168	6.0
Total State Operations	\$ 6,732,099	\$ 6,708,222	\$ (23,877)	(0.4) %
Capital Construction	\$ 1,224,614	\$ 1,383,582	\$ 158,968	13.0
Debt Service	276,934	411,947	135,013	48.8
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	\$ 29,991,241	\$ 31,309,432	\$ 1,318,191	4.4 %
CASINO CONTROL FUND	\$ 55,862	\$ 55,344	\$ (518)	(0.9)
CASINO REVENUE FUND	247,456	283,978	36,522	14.8
GUBERNATORIAL ELECTIONS FUND	-	6,200	6,200	
GRAND TOTAL STATE APPROPRIATIONS	\$ 30,294,559	\$ 31,654,954	\$ 1,360,395	4.5 %

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
Fiscal 2013 Budget to Appropriation
(\$ In Millions)

This table summarizes the major increases and decreases in the Fiscal 2013 Appropriations Act since the Governor's recommended Fiscal 2013 Budget and is organized by category.

Categories of recommended appropriations are defined as follows:

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

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

State Aid consists of payments to or on behalf of counties, municipalities, and school districts to assist them in carrying out their local responsibilities. This category of expenditure includes school aid and 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 and debt service for construction and other infrastructure items.

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

	<u>House/Sponsor</u>	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations				
State Employees' Health Benefits		\$ 39.390		
Cancer Screening - Early Detection and Education Program	(A) PAMELA R. LAMPITT (S) PAUL A. SARLO	3.500		
Veterans' Haven		1.158		
New Jersey State Commission on Cancer Research	(A) VINCENT PRIETO (S) ROBERT M. GORDON	1.000		
Henry J. Raimondo New Jersey Legislative Fellows Program	(A) ALBERT COUTINHO (S) LORETTA WEINBERG	0.069		
Subtotal - State Operations Increases		<u><u>\$ 45.117</u></u>		
State Employees' Social Security Tax	(A) VINCENT PRIETO (S) PAUL A. SARLO		\$ (60.000)	
Pensions and Insurance - State Employees			(24.313)	
State Employee Increments			(20.000)	
Children and Families Additional Federal Resources	(A) VINCENT PRIETO (S) PAUL A. SARLO		(7.500)	
Work First New Jersey - Technology	(A) VINCENT PRIETO		(5.900)	

	<u>House/Sponsor</u>	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Children and Families Salary Surplus			(5.000)	
Banking Services	(A) VINCENT PRIETO (S) PAUL A. SARLO		(4.000)	
Office of Sustainability and Green Energy -- Shift to Non-State Funds	(A) VINCENT PRIETO (S) PAUL A. SARLO		(2.152)	
Existing and Anticipated Leases	(A) BONNIE WATSON COLEMAN (S) PAUL A. SARLO		(2.100)	
Medicaid Fiscal Agent Contract Savings			(2.000)	
Service to Local School Districts -- Regional Achievement Centers	(A) VINCENT PRIETO (S) PAUL A. SARLO		(1.711)	
Interest on Interfund Borrowing	(A) VINCENT PRIETO (S) PAUL A. SARLO		(0.900)	
Environmental Protection -- Shift to Non-State Funds	(A) VINCENT PRIETO (S) PAUL A. SARLO		(0.848)	
Corporation Business Tax Dedication -- Revised Revenue Trend			(0.707)	
Professional Standards Review Organization -- Utilization Review	(A) VINCENT PRIETO (S) PAUL A. SARLO		(0.096)	
Subtotal -- State Operations Decreases			<u><u>\$ (142.363)</u></u>	
Net Change (State Operations)				<u><u>\$ (97.246)</u></u>
Grants-In-Aid				
Payments for Medical Assistance Recipients -- Nursing Homes	(A) LOUIS D. GREENWALD (S) PAUL A. SARLO	\$ 10.000		
Federally Qualified Health Centers Trend		3.600		
Work First New Jersey Child Care Waiting List	(S) NELLIE POU (A) GARY S. SCHAER	2.000		
Grants for After School and Summer Activities for At-Risk Children	(A) LOUIS D. GREENWALD (S) PAUL A. SARLO	1.000		
New Jersey After 3	(A) ANGEL FUENTES (S) BRIAN P. STACK	0.750		
Court Appointed Special Advocates	(S) LINDA R. GREENSTEIN (A) BENJIE E. WIMBERLY	0.289		
Clinical Legal Programs for the Poor -- Camden Law School (Rutgers University)	(S) DONALD NORCROSS (A) GORDON M. JOHNSON	0.200		
Clinical Legal Programs for the Poor -- Newark Law School (Rutgers University)	(S) RICHARD J. CODEY (A) GORDON M. JOHNSON	0.200		
Clinical Legal Programs for the Poor -- Seton Hall University	(S) RICHARD J. CODEY (A) GORDON M. JOHNSON	0.200		
Subtotal -- Grants-In-Aid Increases		<u><u>\$ 18.239</u></u>		

	<u>House/Sponsor</u>	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
New Jersey Transit Operating Subsidy			\$ (260.600)	
Hospital Asset Transformation Program, Debt Service -- Shift to Non-State Resources			(16.500)	
Employer Taxes -- Higher Education			(4.450)	
Pensions and Insurance -- Higher Education			(4.353)	
Workforce Development Fund -- Shift from Labor to Family Development			(4.000)	
Mobile Response -- Trend	(A) VINCENT PRIETO (S) PAUL A. SARLO		(3.000)	
Child Behavioral Health Services Grants -- Trend			(1.701)	
Intensive In-Home Behavioral Assistance -- Trend	(A) VINCENT PRIETO (S) PAUL A. SARLO		(1.000)	
Substance Abuse Initiatives	(A) VINCENT PRIETO (S) PAUL A. SARLO		(1.000)	
Corporation Business Tax Dedication -- Revised Revenue Trend			(0.501)	
Subtotal -- Grants-In-Aid Decreases			<u><u>\$ (297.105)</u></u>	
Net Change (Grants-In-Aid)				<u><u>\$ (278.866)</u></u>
State Aid				
Teachers' Post-Retirement Medical		\$ 58.610		
Transportation Assistance for Senior Citizens and Disabled Residents -- Casino Revenue Dedication	(S) LINDA R. GREENSTEIN (A) SHEILA Y. OLIVER	2.000		
Subtotal -- State Aid Increases		<u><u>\$ 60.610</u></u>		
School Construction and Renovation Fund -- Issue Refunding Bonds			\$ (61.043)	
Local Employee Pensions			(18.305)	
General Assistance (GA) Caseload Trend			(5.966)	
County Colleges -- Increase Supplemental Workforce Funding Offset			(5.000)	
Transitional Aid to Localities			(5.000)	
Local School Districts' Teacher Social Security Payments Trend			(4.500)	
School Choice Aid			(3.400)	

	<u>House/Sponsor</u>	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Work First New Jersey -- Client Benefits	(A) VINCENT PRIETO		(2.000)	
Trend	(S) PAUL A. SARLO			
Supplemental Security Income (SSI) -- Trend			(1.427)	
Debt Service Refunding Savings			(1.266)	
Subtotal -- State Aid Decreases			<u>\$ (107.907)</u>	
Net Change (State Aid)				<u>\$ (47.297)</u>
Capital Construction				
New Jersey Transportation Capital Program			\$ (29.882)	
Energy Efficiency -- Statewide Projects	(A) VINCENT PRIETO		(10.000)	
	(S) PAUL A. SARLO			
Corporation Business Tax Dedication -- Revised Revenue Trend			(1.740)	
Building Authority			(0.649)	
Subtotal -- Capital Construction Decreases			<u>\$ (42.271)</u>	
Net Change (Capital Construction)				<u>\$ (42.271)</u>
Debt Service				
Debt Refinancing	(A) VINCENT PRIETO		\$ (20.000)	
	(S) PAUL A. SARLO			
General Obligation Bonds Cash Defeasance			(5.000)	
Subtotal -- Debt Service Decreases			<u>\$ (25.000)</u>	
Net Change (Debt Service)				<u>\$ (25.000)</u>
GRAND TOTAL		<u>\$ 123.966</u>	<u>\$ (614.646)</u>	<u>\$ (490.680)</u>

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

IPB Fund	Legislature	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	78,097
Department		
DSS	Senator Wynona Lipman Chair in Women's Political Leadership, Eagleton Institute	100
DSS	Henry J. Raimondo New Jersey Legislative Fellows Program	69
DSS	Redistricting Commission - Supplemental Not Continued	(1,800)
DSS	Office of Legislative Services - Master Lease Payment- Supplemental Not Continued	(312)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		(1,943)
FISCAL 2013 APPROPRIATION		76,154

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

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

IPB Fund	Chief Executive	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	6,013
	FISCAL 2013 APPROPRIATION	6,013

P = Parent Record

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

IPB Fund	Agriculture	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	19,776
	FISCAL 2013 APPROPRIATION	19,776

P = Parent Record

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

IPB Fund	Banking and Insurance	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	63,550
Department		
DSS	Equipment Account	(100)
	TOTAL FISCAL 2013 REDUCTIONS/INCREASES	(100)
	FISCAL 2013 APPROPRIATION	63,450

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

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

IPB Fund	Children and Families	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	1,035,788
Department		
P	Division of Developmental Disabilities Children from Department of Human Services - Restructuring	34,673
P	Division on Women from Department of Community Affairs - Restructuring	2,958
GIA	Wynona M. Lipman Child Advocacy Center, Essex County	537
GIA	Court Appointed Special Advocates	289
DSS	Kinship Navigator Staff from Human Services	243
GIA	Contracted Systems Administrator (CSA)	187
P	Children and Families Additional Federal and Dedicated Resources	(19,500)
P	Children and Families Trend	(12,006)
DSS	Salary Surplus	(5,000)
DSS	Department of Human Services Institutional Security Efficiency	(700)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		1,681
FISCAL 2013 APPROPRIATION		1,037,469

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

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

IPB Fund	Community Affairs	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	746,491
Department		
PTRF	Consolidated Municipal Property Tax Relief Aid	48,200
GIA	State Rental Assistance Program (SRAP)	21,000
P	Transitional Aid to Localities	(61,458)
P	Division on Women to Department of Children and Families - Restructuring	(2,958)
P	Local Government Services - Efficiencies	(357)
	TOTAL FISCAL 2013 REDUCTIONS/INCREASES	4,427
	FISCAL 2013 APPROPRIATION	750,918

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

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

IPB Fund	Corrections	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	1,107,607
Department		
DSS	Hepatitis C Treatment Medications	4,500
P	Refresh Fleet, Purchase Two Buses and Emergency Preparedness Vehicles and Supplies	1,216
P	Salary Savings	(31,500)
GIA	County Jail	(1,457)
P	Central Office and Institution Non-Salaries	(428)
DSS	Video Conferencing Efficiencies	(128)
Parole Board		
DSS	Annualization of FY12 Parole Board Savings Initiatives	(1,207)
DSS	Parole Violator Assessment and Treatment Program Efficiencies	(533)
DSS	Reduce State Parole Board Funded Vacancies	(461)
DSS	Parolee Electronic Monitoring Program Efficiencies	(250)
DSS	Satellite-based Monitoring of Sex Offenders Program Efficiencies	(200)
DSS	State Parole Board Line of Credit	(178)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		(30,626)
FISCAL 2013 APPROPRIATION		1,076,981

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

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

IPB Fund	Education	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	10,688,833
Department		
p	School Facilities Programs	475,842
PTRF	Formula Aid - Modified Funding Methodology	120,916
PTRF	School Aid Payment Changes	68,024
PTRF	Preschool Education Aid	14,572
PTRF	School Choice Aid	10,832
SA	Nonpublic Technology Initiative	3,000
PTRF	Unknown District of Residence	1,902
DSS	Statewide Assessment Program	1,700
GIA	Grants for After School and Summer Activities for At-Risk Children	1,000
GIA	New Jersey After 3	750
DSS	Anti-Bullying Program	158
DSS	Interstate Compact on Educational Opportunities for Military Children	5
PTRF	School Construction and Renovation Fund - Issue Refunding Bonds	(70,043)
DSS	Operating Efficiencies	(305)
SA	Bridge Loan Interest and Approved Borrowing Cost	(200)
GIA	Teacher Preparation FY12 Final Year	(15)
Teachers Pensions/Social Sec.		
p	Pensions and Insurance	319,643
PTRF	Debt Service - Pension Bonds	112,605
p	Teachers' Post-Retirement Medical	98,425
PTRF	Employer Group Waiver Plan (EGWP) Savings	(39,190)
PTRF	Local School Districts' Teacher Social Security Tax	(24,500)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		1,095,121
FISCAL 2013 APPROPRIATION		11,783,954

****p** = Parent Record**

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

IPB Fund	Environmental Protection	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	334,670
Department		
DSS	Parks Management - Reduced Non-State Resources	4,400
p	CBT Dedication	4,229
GIA	Public Facility Programming	2,125
DSS	Forest Resource Management - Reduced Non-State Resources	2,000
p	Environmental Policy & Planning	1,550
DSS	Office of Sustainability and Green Energy - Shift to Non-State Funds	(2,152)
DSS	Air Pollution Control Enhanced Inspection and Maintenance Program - Shift to Non-State Funds	(1,230)
DSS	Administration and Support Services - Shift to Non-State Funds	(848)
DSS	Nuclear Emergency Response - Supplemental Not Continued	(774)
p	Staffing Efficiencies	(765)
DSS	Pollution Prevention Program Efficiencies	(590)
DSS	Hunting and Fishing Licenses for National Guard and Disabled Veterans - Supplemental Not Continued	(422)
DSS	Worker and Community Right to Know Program	(394)
DSS	Non-Salary Efficiencies	(300)
Environmental Protection		
CC	CBT Dedication - Capital	6,084
Environmental Protection		
DS	General Obligation Debt Service	12,507
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		25,420
FISCAL 2013 APPROPRIATION		360,090

****p** = Parent Record**

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

IPB Fund	Health	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	1,318,619
Department		
P	Hospital Funding - Graduate Medical Education and Hospital Relief Subsidy Fund - from Department of Human Services - Restructuring	107,715
GIA	Ambulatory Care Facility Assessment - Lost Federal Share	24,000
GIA	Cancer Institute of New Jersey, South Jersey Program	11,144
GIA	Federally Qualified Health Centers Trend	3,600
DSS	Cancer Screening - Early Detection and Education Program	3,500
DSS	New Jersey State Commission on Cancer Research	1,000
DSS	New Jersey Compassionate Use Medical Marijuana Act	784
P	Division of Senior Services to Department of Human Services Division of Aging Services - Restructuring	(993,642)
GIA	Comprehensive Waiver - Supplemental Not Continued	(41,802)
GIA	Health Care Subsidy Fund - Shift to Non-State Resources	(21,689)
GIA	Hospital Asset Transformation Program, Debt Service - Shift to Non-State Resources	(16,500)
P	Hoboken Hospital - Supplemental Not Continued	(16,000)
GIA	New Jersey Malpractice Reinsurance Association - Charity Care	(9,500)
GIA	Early Intervention Program (EIP) Trend	(4,220)
DSS	Public Health Laboratory Equipment	(826)
DSS	Worker and Community Right to Know Fund	(814)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		(953,250)
FISCAL 2013 APPROPRIATION		365,369

P = Parent Record

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

IPB Fund	Human Services	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	5,498,626
Division of Aging Services		
P	Division of Senior Services from Department of Health to Department of Human Services Division of Aging Services - Restructuring	993,642
GIA	Payments for Medical Assistance Recipients - Nursing Homes	10,000
GIA	Pharmaceutical Assistance to the Aged and Disabled Trend	(7,639)
GIA	Senior Gold Prescription Discount Program Trend	(2,885)
DSS	Non-Salaries	(28)
Family Development		
P	Temporary Assistance for Needy Families - Replace Non-State Funds	36,302
GIA	Work First New Jersey Child Care Waiting List	2,000
P	Supplemental Security Income (SSI) Trend	974
P	General Assistance (GA) Trend	(40,274)
DSS	Work First New Jersey - Technology Investment	(5,900)
P	Workforce Development Fund - Shift from Labor to Family Development	(4,000)
P	Substance Abuse Initiatives Trend	(3,384)
SA	TANF & General Assistance - Shift to Non-State Funds	(1,800)
GIA	Center Based Child Care - Convert Contracted Rate to Fee-for-Service - Annualization of FY12 Savings	(878)
GIA	Contracted Rent - Annualization of FY12 Savings	(460)
DSS	Kinship Navigator Staff to Department of Children and Families	(243)
P	Emergency Assistance Compliance Review Team - Net of Staffing	(47)
Central Office		
DSS	Biennial Software Licenses	(692)
Developmental Disabilities		
P	FY13 Community Placements	23,375
GIA	Olmstead Community Placements	9,749
DSS	Staffing for Parents And Friends Association Homes	7,422
DSS	Staffing for Community Programs	5,273
P	Community Programs - Annualize FY12 Placements	4,610
GIA	FY13 Community Services Waiting List Placements	1,347
DSS	Study for Payment Structure	658

P = Parent Record

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

IPB Fund	Human Services	Amount
P	Children to Department of Children and Families - Restructuring	(34,673)
P	Shift to Non-State Funds - FY13 and Annualization of FY12 Savings	(27,751)
DSS	Developmental Centers' Operational Efficiencies Due to Lower Census	(17,604)
GIA	Community Placements - Increased Contributions to Care	(1,400)
GIA	NJKids - Perform Client Assessments	(800)
P	Human Services Composite Bond Debt Service	(120)
Mental Health and Addiction Services		
GIA	Community Placements - Reinvestment of Hagedorn Savings	5,602
GIA	FY13 Olmstead Placements	5,000
GIA	Olmstead Placements - Annualize FY12	5,000
GIA	Community Based Substance Abuse Treatment and Prevention	2,147
SA	Support of Patients in County Psychiatric Hospitals Trend	1,827
DSS	Hagedorn Psychiatric Hospital Closure - Annualization of FY12 Savings	(40,798)
GIA	Expand State Medicaid Plan to Cover Selected Mental Health Services - Annualization of FY12 Savings	(1,811)
GIA	Contract Savings	(351)
GIA	Centralize and Rebid Detoxification Contracts - Annualization of FY12 Savings	(125)
Medicaid		
P	Medicaid/General Assistance Health Care Trend	2,912
P	Hospital Funding - Graduate Medical Education and Hospital Relief Subsidy Fund - to Department of Health - Restructuring	(107,715)
DSS	Medicaid Fiscal Agent Contract Savings	(2,000)
GIA	Long Term Care Pharmaceutical Edits	(1,600)
GIA	January 2013 Hospital Rate Increase Eliminated and Encourage Part A Enrollment	(1,300)
DSS	Professional Standards Review Organization - Utilization Review	(96)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		811,466
FISCAL 2013 APPROPRIATION		6,310,092

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

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

IPB Fund	Labor and Workforce Development	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	157,391
Department		
DSS	Public Employees Occupational Safety - Shift to Non-State Funds	(378)
DSS	Worker and Community Right to Know Fund	(33)
PERC		
DSS	Interest Arbitration/Dispute Resolution	200
Civil Service Commission		
DSS	Office of Workforce Initiatives and Development from Treasury - Restructuring	2,609
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		2,398
FISCAL 2013 APPROPRIATION		159,789

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

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

IPB Fund	Law & Public Safety	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	566,608
Department		
DSS	State Police 152nd & 153rd Recruit Classes	1,019
DSS	Atlantic City Tourism District	290
P	Reduce Funded Vacancies	(6,049)
DSS	State Police Line of Credit	(934)
Election Law Enforcement		
GEF	Gubernatorial Election Fund	6,200
Juvenile Justice Commission		
DSS	Non-Salaries	225
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		751
FISCAL 2013 APPROPRIATION		567,359

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

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

IPB Fund	Military & Veterans Affairs	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	95,555
Department		
DSS	Veterans' Haven	1,158
DSS	Reduce Funded Vacancies	(650)
DSS	State Active Duty Costs - Supplemental Not Continued	(430)
P	Department Efficiencies	(202)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		(124)
FISCAL 2013 APPROPRIATION		95,431

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

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

IPB Fund	State	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	1,149,183
Higher Ed Student Assistance Auth.		
GIA	Full Time Tuition Aid Grants	30,745
GIA	Governor's Urban Scholarship Program	1,000
GIA	Part-Time Tuition Aid Grants for County Colleges	749
GIA	Revise NJ STARS II	(2,568)
GIA	Coordinated Garden State Scholarship Program - Final Year of Phase-out	(1,685)
GIA	Veterinary Medicine Education Program - Final Year of Phase-out	(87)
Office of the Secretary of Higher Education		
P	Staffing and Non-Salaries	541
OSHE - Educational Opportunity Fund		
GIA	EOF - Opportunity Program Grants	500
GIA	Martin Luther King Physician-Dentist Scholarships - Final Year of Phase-out	(150)
GIA	Ferguson Law Scholarships - FY12 Final Year of Program	(70)
Rowan University		
GIA	Affiliate Hospital Support (Cooper University Hospital)	5,690
Rutgers, The State University		
GIA	Clinical Legal Programs for the Poor - Newark Law School (Rutgers University)	200
GIA	Clinical Legal Programs for the Poor - Camden Law School (Rutgers University)	200
UMDNJ		
GIA	Affiliate Hospital Support (Cooper University Hospital)	(5,690)
Department		
DSS	Records Management to Department of Treasury - Restructuring	(1,643)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		27,732
FISCAL 2013 APPROPRIATION		1,176,915

P = Parent Record

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

IPB Fund	Transportation	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	1,434,982
NJ Transit		
P	New Jersey Transit Operating Subsidy	(236,227)
P	Transportation Assistance for Senior Citizens and Disabled Residents Casino Revenue Dedication	(489)
Department		
DSS	Winter Operations - Supplemental Not Continued	(20,000)
Transportation - Proper		
P	New Jersey Transportation Capital Program - Debt Service	59,236
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		(197,480)
FISCAL 2013 APPROPRIATION		1,237,502

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

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

IPB Fund	Treasury	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	2,096,916
Department		
DSS	Records Management from Department of State - Restructuring	1,643
DSS	Division of State Lottery Sales Force	660
DSS	Taxation Data Warehouse Contract	(3,778)
DSS	Tax Collection Contract - Shift to Non-State Funds	(3,700)
DSS	Collection Services - Supplemental Not Continued	(3,600)
DSS	Office of Workforce Initiatives and Development to Civil Service Commission - Restructuring	(2,609)
DSS	New Jersey Public Broadcasting Authority - Supplemental Not Continued	(1,987)
DSS	Reduced Funded Vacancies	(550)
DSS	Arbitration and Litigation - Supplemental Not Continued	(320)
Treasury - Casino Control Fund		
CCF	Casino Control Efficiencies	(518)
Treasury-Direct Property Relief		
p	Homestead Benefit Program Trend	(59,500)
PTRF	Senior and Disabled Citizens' and Veterans' Property Tax Deduction Reimbursement Trend	(3,900)
p	Senior and Disabled Citizens' Property Tax Freeze Trend	(2,100)
Treasury-Municipal & County Aid		
p	Pensions	26,864
PTRF	Debt Service - Pension Bonds	1,201
SA	Public Library Project Fund -- Debt Service	6
p	South Jersey Port Corporation	(2,721)
PTRF	Municipal Retired Employees' Health Benefits (PRM)	(139)
Office of Information Technology		
p	IT Infrastructure Maintenance	4,530
DSS	IT Growth and Refresh Cycle Line of Credit	1,500
DSS	Telecommunications Contract Renewal	1,200
Economic Development Authority		
GIA	Brownfield Site Reimbursement Fund	11,450
GIA	Economic and Redevelopment Growth Grants (ERG)	3,600

****p** = Parent Record**

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

IPB Fund	Treasury	Amount
Treasury		
DS	General Obligation Debt Service	157,506
DS	Debt Refinancing	(20,000)
DS	General Obligation Bonds Cash Defeasance	(15,000)
Higher Ed - County Colleges		
PTRF	Debt Service for County College Chapter 12 Program	5,179
SA	County College Retired Employees' Health Benefits (PRM)	370
SA	Debt Service - Pension Bonds	12
SA	County Colleges - Increase Supplemental Workforce Funding Offset	(5,000)
P	Pensions and Insurance	(4,885)
Higher Ed - Indepen. Colleges & Oth		
GIA	Clinical Legal Programs for the Poor -- Seton Hall University	200
Miscellaneous Higher Ed.		
GIA	Higher Education Capital Improvement Program Debt Service - Replace One-Time NJEFA Funding	7,993
GIA	Equipment Leasing Fund	(458)
GIA	Dormitory Safety Trust Fund	(250)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		92,899
FISCAL 2013 APPROPRIATION		2,189,815

P = Parent Record

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

IPB Fund	Miscellaneous Commissions	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	976
	FISCAL 2013 APPROPRIATION	976

P = Parent Record

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

IPB Fund	Inter-departmental	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	3,450,979
Employee Benefits		
P	Pensions and Insurance - State and Higher Education Employees	191,608
P	Active Health Benefits- Including Prescription Drugs and Dental	118,427
DSS	Retired Employee Health Benefits (PRM)	74,251
P	Debt Service - Pension Bonds	9,572
P	Employer Taxes	(77,801)
P	Premium Based Employee Contribution for Health Benefits Savings	(54,280)
DSS	Employer Group Waiver Plan (EGWP) Savings	(23,015)
Inter-departmental		
P	Building Authority	45,015
CC	Garden State Preservation Trust Fund - Issue Refunding Bonds	(20,000)
CC	Energy Efficiency - Statewide Projects	(10,000)
Other Inter-departmental Accounts		
P	Sports and Exposition Authority	51,262
GIA	Municipal Rehabilitation and Economic Recovery Debt Service	17
DSS	Banking Services	(4,000)
P	Liberty Science Center Debt Service	(1,987)
GIA	New Jersey Performing Arts Center Debt Service	(1,877)
GIA	Business Employment Incentive Program (BEIP) Debt Service	(1,215)
DSS	Interest on Interfund Borrowing	(900)
Rentals and Utilities		
P	Workers Compensation	1,800
DSS	Insurance Property and Casualty	520
DSS	New Health Lab Utilities and Custodial	89
DSS	UMDNJ Self-Insurance Reserve Fund - Supplemental Not Continued	(10,000)
DSS	Tort Claims Liability - Supplemental Not Continued	(10,000)
DSS	Economic Development Authority - Debt Service	(9,249)
DSS	Treasury Efficiencies - Supplemental Not Continued	(3,925)
DSS	Existing and Anticipated Leases Thomas A. Edison State College	(2,100)
DSS	Marlboro and Greystone Maintenance - Supplemental Not Continued	(1,500)

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

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

IPB Fund	Inter-departmental	Amount
P Property Rentals		(255)
Salary & Other Benefits (Adjustmts)		
P State Employee Increments		20,000
DSS State Police Retroactive Payments		(16,725)
DSS Unused Accumulated Sick Leave Payments - Supplemental Not Continued		(7,000)
DSS Central Attrition - Annualization FY12 Savings		(3,791)
TOTAL FISCAL 2013 REDUCTIONS/INCREASES		252,941
FISCAL 2013 APPROPRIATION		3,703,920

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

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

IPB Fund	Judiciary	Amount
**	2012 Adjusted Appropriations (as reported in the Governor's Budget)	670,481
Department		
DSS	Drug Court Treatment/Aftercare and Operations	2,500
	TOTAL FISCAL 2013 REDUCTIONS/INCREASES	2,500
	FISCAL 2013 APPROPRIATION	672,981
GRAND TOTAL -- FISCAL 2013 APPROPRIATION (Excludes Federal Funds)		31,654,954

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

Core Mission Summaries

Reading the Core Mission Area Tables

DEPARTMENT NAME

CORE MISSION SUMMARY

Each department has identified one or more *core mission areas* reflecting key priorities.

Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
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Department Name

Core Mission Area #1

Appropriations (\$000s)

Total Resources allocated to core mission area

State Funds

\$000,000

\$000,000

Non-State Funds

\$000,000

\$000,000

Key Performance Indicators

Indicator #1

X%

X%

X%

Indicator #2

X%

X%

X%

Key Performance Indicators are measures that track progress within *Core Mission Areas*.

Baseline Performance Data

Departments set targets based on the baseline (starting point) performance, resources available and their potential to achieve improvements.

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
AGRICULTURE			
Providing Regulatory and Surveillance			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 3,637	\$ 3,637
Non-State Funds	---	\$ 6,812	\$ 5,453
<i>Key Performance Indicators</i>			
Nurseries inspected for plant disease (units)	1,251	1,249	1,250
Detection of animal diseases (tests performed)	37,734	32,000	35,000
Commodities inspected (pounds)	234,619,670	234,000,000	234,000,000
Feeding NJ's Schoolchildren and the State's Food Insecure			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 12,985	\$ 12,985
Non-State Funds	---	\$ 408,991	\$ 420,487
<i>Key Performance Indicators</i>			
Total school lunches served	118,436,377	121,895,022	124,942,398
Total school breakfasts served	32,289,551	33,668,086	35,029,903
Total purchases via the State Food Purchase Program (pounds)	9,838,230	8,138,015	8,150,000
Promoting NJ Agricultural and Aquacultural Product			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 502	\$ 502
Non-State Funds	---	\$ 5,066	\$ 5,102
<i>Key Performance Indicators</i>			
Consumer advertised impressions for Jersey Fresh	6,987,272	6,987,272	6,987,272
Farms whose products meet Jersey Fresh standards	284	300	300
Licenses / permits issued	12,627	12,250	12,250
Preservation and Conservation of Natural Resources			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 2,652	\$ 2,652
Non-State Funds	---	\$ 6,103	\$ 6,048
<i>Key Performance Indicators</i>			
Acres of farmland preserved	7,369	8,000	8,000
Number of easements monitored for compliance	1,412	1,566	1,659
Farms assisted by conservation field staff	950	1,020	1,020
BANKING AND INSURANCE			
Monitoring Financial Condition of Regulated Companies			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 16,328	\$ 16,268
<i>Key Performance Indicators</i>			
Average time to complete a bank examination (in days)	71	100	100
Average time to mail examination reports to the bank (in days)	57	55	50
Average time to complete an insurance company examination (in days)	303	250	240
Promoting Growth and Stability of Regulated Industries			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 11,067	\$ 11,061
<i>Key Performance Indicators</i>			
Abandoned calls to Licensing	7.1%	6.0%	5.5%
Average time to process Life and Health rate and form filings (in days)	47	40	40
Average time to process Property and Casualty form filings (in days)	17	30	30

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Protecting Consumers			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 36,155	\$ 36,121
Non-State Funds	---	\$ 9,771	\$ 7,265
<i>Key Performance Indicators</i>			
Abandoned consumer complaint calls	8.9%	6.0%	6.0%
Average time to process a banking consumer complaint (in days)	309	70	60
Insurance fraud investigations completed	3,096	3,200	3,300
CHILDREN AND FAMILIES			
Ensure the Safety, Permanency, and Well-being of Children Experiencing Child Abuse or Neglect			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 693,804	\$ 668,774
Non-State Funds	---	\$ 286,626	\$ 308,016
<i>Key Performance Indicators</i>			
Abuse/Neglect Reports assigned for investigation within three hours of initial report	98%	98%	98%
Investigations of Abuse/Neglect Reports completed within 90 days	91%	90%	92%
Children under the supervision of the Division of Child Protection and Permanency who receive monthly caseworker visits (both in-home and out-of-home)	93%	93%	93%
Adoptions finalized within nine months of a child being placed in an adoptive home	85%	85%	85%
Children in out-of-home placement who have up-to-date immunization records	96%	96%	96%
Children receiving initial physical exam within 24 hours of entering placement	96%	96%	96%
Serve Children and Adolescents with Emotional and Behavioral Health Care Challenges			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 268,306	\$ 295,957
Non-State Funds	---	\$ 139,294	\$ 139,294
<i>Key Performance Indicators</i>			
Children requiring an out-of-home placement for a behavioral health issue who were successfully served in New Jersey	98%	98%	98%
Crisis calls addressed by a Mobile Response Crisis Team where the child was able to stay safely in their home/ current living arrangement	95%	95%	95%
Support Child Abuse Prevention and Intervention Programs through a Network of Public/Private Partnerships and Programs			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 61,704	\$ 64,117
Non-State Funds	---	\$ 15,263	\$ 25,775
<i>Key Performance Indicators</i>			
Number of families served by the 37 State-funded Family Success Centers	50,726	51,000	51,000
Children served by the Home Visiting Program of the Office of Early Childhood Services who are appropriately immunized	81%	85%	85%
Children served by the Home Visiting Program of the Office of Early Childhood Services who are screened for developmental delays	89%	90%	90%
Provide Educational Services to Students with Disabilities and Special Needs			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 11,974	\$ 8,621
Non-State Funds	---	\$ 47,187	\$ 47,187
<i>Key Performance Indicators</i>			
Adherence to national average for at-risk academic students who showed improvement in reading from pre- to post-test after being enrolled for 90 days	n/a	100%	100%
Adherence to national average for at-risk academic students who showed improvement in math from pre- to post-test after being enrolled for 90 days	n/a	97%	97%

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
COMMUNITY AFFAIRS			
Building Safety			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 38,061	\$ 38,061
<i>Key Performance Indicators</i>			
Construction specification reviews performed within 20 business days	81%	80%	80%
Multiple dwelling unit inspections completed that are required to be performed by the State	80%	85%	85%
Fire safety inspections completed that are required to be performed by the State	97%	85%	90%
Housing Assistance			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 7,143	\$ 28,143
Non-State Funds	---	\$ 253,360	\$ 248,301
<i>Key Performance Indicators</i>			
Spending rate on federal rental assistance vouchers	97%	97%	97%
New State rental assistance vouchers issued within 45 days from the date of availability ..	90%	90%	90%
Community Development & Support Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 8,212	\$ 5,254
Non-State Funds	---	\$ 197,225	\$ 205,990
<i>Key Performance Indicators</i>			
Households receiving energy assistance	289,323	309,000	309,000
Local Government Operations			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 693,075	\$ 679,460
<i>Key Performance Indicators</i>			
Municipalities receiving Transitional Aid so that they may continue to make debt service payments and pay for essential services	22	12	12
Municipal budgets with tax levy increases within 2% (reported on a calendar year basis) ..	125	201	225
CORRECTIONS - PROPER			
Protecting the Public			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 276,941	\$ 262,315
Non-State Funds	---	\$ 1,000	\$ 1,000
<i>Key Performance Indicators</i>			
Inmates who attempted escape from a secure correctional facility	4	0	0
Inmates who escaped from a secure correctional facility	3	0	0
Enhancing Safety within Institutions			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 242,653	\$ 236,834
Non-State Funds	---	\$ 22,302	\$ 27,141
<i>Key Performance Indicators</i>			
Rate of inmate disciplines within the secure population	5.9%	5.7%	5.5%
Inmate drug tests that were positive for controlled dangerous substance	1.4%	1.4%	1.3%
Managing NJ's Inmates			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 219,917	\$ 207,670
<i>Key Performance Indicators</i>			
Total inmate population	25,318	24,710	24,411
Secure general population housing occupancy rate	98.2%	97.0%	97.0%

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Expanding Inmate Health, Rehabilitation and Re-entry Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 247,365	\$ 253,558
Non-State Funds	---	\$ 1,729	\$ 3,369
<i>Key Performance Indicators</i>			
Medical specialty consults completed within 60 days	76.1%	76.9%	77.6%
Dental specialty consults completed within 60 days	80.7%	81.5%	82.3%
Corrections Offender Reentry Preparation program completion rate	81.2%	82.0%	82.8%
Making Academic & Educational Gains			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 17,800	\$ 16,502
Non-State Funds	---	\$ 9,452	\$ 9,369
<i>Key Performance Indicators</i>			
Average number of inmates enrolled each month in mandatory education	3,128	3,441	3,785
G.E.D. tests administered in institutions with passing scores	67.4%	68.1%	68.8%
Total number of high school diplomas awarded	89	98	108
EDUCATION			
Student Learning and Achievement			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 26,960	\$ 28,660
Non-State Funds	---	\$ 41,589	\$ 25,555
<i>Key Performance Indicators</i>			
3rd grade math assessment - students proficient or advanced proficient	78.9%	80.0%	83.0%
3rd grade language assessment - students proficient or advanced proficient	63.0%	66.0%	70.0%
8th grade math assessment - students proficient or advanced proficient	71.5%	75.0%	78.0%
8th grade language assessment - students proficient or advanced proficient	82.1%	85.0%	88.0%
Number of Advanced Placement tests taken	n/a	83,789	85,464
Number of Advanced Placement tests scored three or higher	n/a	60,761	61,977
High school graduation rate (currently under development under new federal guidelines) .	n/a	+ 1.0%	+ 1.0%
Priority schools implementing the State model curriculum & unit assessments	n/a	100.0%	100.0%
Schools implementing the State model curriculum & unit assessments	n/a	25.0%	50.0%
Districts implementing kindergarten readiness measure	n/a	Pilot year	25.0%
Districts implementing K-3 reading assessment	n/a	Pilot year	25.0%
Districts implementing instructional improvement system	n/a	Development year	10.0%
Educator Effectiveness			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 790	\$ 775
Non-State Funds	---	\$ 1,805	\$ 1,805
<i>Key Performance Indicators</i>			
Local Education Agencies completing core implementation requirements - teacher evaluation initial pilot	n/a	95.0%	100.0%
Local Education Agencies completing core implementation requirements - teacher evaluation expanded pilot	n/a	n/a	95.0%
Local Education Agencies completing core implementation requirements - teacher evaluation non-pilot	n/a	n/a	90.0%
Local Education Agencies completing core implementation requirements - principal evaluation initial pilot	n/a	n/a	95.0%
Change in average cycle time for completion of teacher certification reviews	n/a	Baseline Year	-10.0%
Local Education Agencies with regularly scheduled professional learning community events	n/a	Baseline Year	+10.0%

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Choice, Innovation, and Community Engagement			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 37,371	\$ 48,203
Non-State Funds	---	\$ 3,420	\$ 3,440
<i>Key Performance Indicators</i>			
Number of students in high performing charter schools	n/a	10,719	11,700
Number of students participating in Inter-District Choice	964	2,156	3,500
District and School Performance and Efficiency			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 4,228	\$ 4,228
Non-State Funds	---	\$ 18,982	\$ 19,008
<i>Key Performance Indicators</i>			
Students with Individualized Education Plans graduating from high school with a regular diploma	n/a	+ 1.0%	+ 1.0%
Students with Individualized Education Plans aged 6 through 21 served inside the regular class 80% or more of the day	44.0%	48.0%	48.0%
Students graduating high school in Title I schools	n/a	+ 1.0%	+ 1.0%
Responsiveness and Service			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 27,801	\$ 26,745
Non-State Funds	---	---	\$ 4,000
<i>Key Performance Indicators</i>			
Districts receiving 80% or higher on all five Quality Single Accountability Continuum			
District performance reviews	78.0%	79.0%	80.0%
NJ SMART inquiries returned with 24 hours	100.0%	100.0%	100.0%
School Finance			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 10,591,683	\$ 11,675,343
Non-State Funds	---	\$ 801,735	\$ 778,883
<i>Key Performance Indicators</i>			
School and other capital project long range facilities plans approved.	1,121	499	559
Discretionary grants contracts awarded annually	140	140	140
Entitlement grants contracts awarded annually	3,326	3,326	3,326
Total federal grant dollars (in millions)	\$ 844	\$ 800	\$ 800
Federal grant dollars returned to federal government	0.01%	0.01%	0.01%
ENVIRONMENTAL PROTECTION			
Protecting the Land, Air and Waters			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 218,858	\$ 219,287
Non-State Funds	---	\$ 263,894	\$ 211,291
<i>Key Performance Indicators</i>			
Active site remediation cases (fiscal year average)	16,130	15,333	15,333
Days where air quality is deemed unhealthy for sensitive groups (monthly average)	2.0	1.4	1.4
Violations of the primary safe drinking water standards (monthly average)	42	34	34
Total number of sites participating in the compliance and enforcement stewardship program	546	750	750
Total average review time (in calendar days) to issue a General Land Use permit for Coastal Area Facility Review, Waterfront, Development, or Flood Hazard Area (monthly average)	45.3	55.0	55.0

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Managing Natural and Historic Resources			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 101,347	\$ 113,828
Non-State Funds	---	\$ 69,402	\$ 76,958
<i>Key Performance Indicators</i>			
Freshwater fishing licenses sold (monthly average)	13,484	14,657	14,657
State parks and forests - total visitors (annual)	17,550,000	17,000,000	18,000,000
Overnight stays in State parks and campsites (monthly average)	5,520	5,822	6,113
Preserved open space acres (monthly average)	471	509	583
Supporting Economic Growth			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 155	\$ 158
Non-State Funds	---	\$ 27	\$ 27
<i>Key Performance Indicators</i>			
Growing green industry - solar development on brownfields in megawatts (annual)	-	13.4	30.0
Jobs created through solar development on brownfields and grants secured by the Department (annual)	-	432	1,039
Projects (resulting in greater than 50 jobs) receiving consulting help from the new permitting coordination unit (monthly average)	14	15	15
Technical assistance activities held for small businesses (monthly average)	61	61	65
Permits, registrations, and reports received electronically	60%	65%	65%
HEALTH			
Promoting Senior Independence and Choice (see Human Services for FY 2013)			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 1,036,403	---
Non-State Funds	---	\$ 1,425,979	---
<i>Key Performance Indicators</i>			
Global Options program participants	11,138	12,500	---
Medicaid-funded residents in nursing homes	27,718	27,500	---
Clients in Home and Community Based Options	29%	31%	---
Pharmaceutical Assistance to the Aged & Disabled (PAAD) and Senior Gold participants	164,986	165,000	---
Total pharmacy claims cost	\$161,115,959	\$145,887,180	---
Optimizing Health Quality, Licensing and Oversight			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 124,733	\$ 206,301
Non-State Funds	---	\$ 418,264	\$ 957,575
<i>Key Performance Indicators</i>			
Targeted facilities inspected:			
Nursing Homes	---	100%	100%
Other Long Term Care	---	100%	100%
Acute Care	---	100%	100%
Targeted complaints investigated:			
All long term care (nursing homes and other LTC)	---	65%	80%
Acute care	---	60%	75%
Number of vital documents issued	191,122	198,000	195,000

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Delivering Public Health Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 157,483	\$ 159,068
Non-State Funds	---	\$ 463,337	\$ 710,826
<i>Key Performance Indicators</i>			
Women, Infant, and Children program participants	295,181	303,000	303,000
Children evaluated for eligibility under Early Intervention Program	15,748	15,718	15,688
Eligible children receiving Early Intervention Program services	22,135	24,026	25,118
AIDS clients tested and counseled	103,749	105,000	110,000
AIDS Drug Distribution Program clients served	7,024	7,500	7,500
Breast and cervical cancer visits under NJ Cancer Education and Early Detection Program	18,535	19,000	23,400
Lab tests performed by the Public Health and Environmental Health Programs	5,298,003	5,608,000	5,608,000
Newborns screened for metabolic disorders and referred for follow-up	5,606	5,600	5,600
 HUMAN SERVICES			
Olmstead and Services that Promote Community Integration			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 1,052,532	\$ 1,066,812
Non-State Funds	---	\$ 520,272	\$ 555,705
<i>Key Performance Indicators</i>			
Developmental Disabilities			
Consumers residing in 100% State-funded, out-of-state facilities	605	570	553
Consumers moved from institutions to community residential placements in order to comply with Olmstead requirement that services be provided in the least restrictive setting	84	125	175
Federal Community Care Waiver revenues earned to offset State costs for community placements	\$ 329,529,665	\$ 360,866,000	\$ 384,370,000
Mental Health and Addiction Services			
New community placements created to discharge consumers in the State hospitals currently on Conditional Extension Pending Placement (CEPP) status	171	95	278
New community placements created to avert institutionalization for persons diagnosed with mental illness who would otherwise be committed to a State psychiatric hospital	82	50	100
 Services that Promote Economic Independence			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 109,033	\$ 105,695
Non-State Funds	---	\$ 274,267	\$ 292,257
<i>Key Performance Indicators</i>			
Commission for the Blind and Visually Impaired clients who exit vocational rehabilitation programs into employment	100%	100%	100%
 Services that Ensure the Safety Net			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 1,141,267	\$ 1,057,719
Non-State Funds	---	\$ 961,806	\$ 1,007,804
<i>Key Performance Indicators</i>			
Developmental center census	2,587	2,421	2,222
Psychiatric hospital census	1,753	1,600	1,500
Performance level of child support collections	64.8%	64.8%	64.8%
General Assistance review teams			
General Assistance cases reviewed	6,319	10,000	10,000
Cases closed or denied based on review	348	550	550
Cash Assistance savings	\$373,752	\$590,700	\$590,700
Emergency Assistance savings	\$273,424	\$475,272	\$533,820

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Services that Promote the Availability of Health Care			
(see Health for FY 2011 and FY 2012)			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 3,195,794	\$ 4,079,866
Non-State Funds	---	\$ 4,109,309	\$ 5,268,739
<i>Key Performance Indicators</i>			
Clients served in NJ Personal Preference Program	1,377	1,900	2,500
Medicaid participants enrolled in managed care	89%	98%	98%
Children enrolled in FamilyCare	172,015	183,910	194,027
Healthcare Effectiveness Data & Information Set performance measures for NJ			
Medicaid/FamilyCare managed care populations			
Children receiving immunizations	67%	68%	69%
Children receiving a blood lead screening test	76%	77%	78%
Children receiving a well visit within the first 15 months of life	68%	69%	70%
Children receiving a well visit between ages 3 to 6	78%	79%	80%
Women receiving timely prenatal care	82%	83%	84%
Women receiving timely postpartum care	59%	60%	61%
Division of Aging Services			
Global Options program participants	---	---	13,000
Medicaid-funded residents in nursing homes	---	---	27,000
Clients in Home and Community Based Options	---	---	33%
Pharmaceutical Assistance to the Aged & Disabled (PAAD) and Senior Gold participants	---	---	165,000
Total pharmacy claims cost	---	---	\$145,887,180
LABOR AND WORKFORCE DEVELOPMENT			
Workforce Development			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 80,446	\$ 80,446
Non-State Funds	---	\$ 252,260	\$ 253,414
<i>Key Performance Indicators</i>			
Workforce Investment Act adult participants who entered employment	82%	79%	83%
Workforce Investment Act dislocated worker participants who entered employment	83%	80%	84%
Workforce Investment Act youth (age 14-21) participants who entered employment or continued their education	63%	59%	64%
Employment Services participants who entered employment	41%	43%	43%
WorkFirst New Jersey participants who entered employment	37%	36%	38%
Vocational Rehabilitation Services cases over 60 days from time of application to eligibility determination	10%	10%	11%
Income Security			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 37,410	\$ 37,410
Non-State Funds	---	\$ 252,986	\$ 262,001
<i>Key Performance Indicators</i>			
Disability Determinations Services processed cases deemed accurate	94%	91%	96%
Unemployment Insurance cases receiving first payment within 21 days	81%	87%	87%
Unemployment Insurance initial claims filed online	n/a	55%	55%
Unemployment Insurance continued claims filed online	n/a	70%	70%
Temporary Disability Insurance cases in which eligibility was determined within 14 days of receipt	68%	70%	70%
Family Leave Claims in which eligibility was determined within 14 days of receipt	78%	70%	80%
Workers' Compensation			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 15,194	\$ 15,194
Non-State Funds	---	\$ 171,509	\$ 171,540
<i>Key Performance Indicators</i>			
Emergency medical treatment disputes resolved within 30 days	100%	100%	100%

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Labor Standards and Safety Enforcement			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 4,696	\$ 4,285
Non-State Funds	---	\$ 4,960	\$ 4,960
<i>Key Performance Indicators</i>			
Work sites inspected for asbestos abatement and contractors', workers', and supervisors' compliance with licensing requirements	175	175	175
Public Employees Occupational Safety & Health (PEOSH) complaints investigated within five days as negotiated with OSHA as part of an approved State Plan	100%	100%	100%
Health and safety consultation visits to private sector employers monthly	35	35	35
Boilers or pressure vessels inspected monthly	2,034	2,034	2,034
Wage and Hour Compliance inspections triggered by a worker complaint that are completed within 90 days	91%	80%	93%
Public Works Contractor Registration applications processed within 30 days of receipt ..	96%	90%	98%
CIVIL SERVICE COMMISSION			
State & Local Operations			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 8,269	\$ 9,595
<i>Key Performance Indicators</i>			
Final layoff plans reviewed and approved within 30 calendar days	99%	100%	100%
State government certifications issued within 10 business days	n/a	100%	100%
Local government certifications issued within 5 business days	n/a	100%	100%
State and local titles to be eliminated or consolidated (largely completed during FY2012) .	1,002	1,000	75
Selection Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 5,228	\$ 6,066
<i>Key Performance Indicators</i>			
Calendar days from job announcement to list issuance	178	130	130
Job announcements older than six months as a percentage of all active announcements ..	11.0%	11.5%	11.5%
Open Competitive job announcements issued in a month that include the Online Application System capability	n/a	90%	90%
Average number of minutes a caller remains in the queue until connected to a call center employee	n/a	1.2	1.2
Merit Systems Practices & Labor Relations			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 2,775	\$ 3,220
<i>Key Performance Indicators</i>			
New and backlogged written record appeals completed	110%	115%	115%
Pending written record appeals aged greater than six months	n/a	30%	30%
LAW AND PUBLIC SAFETY - PROPER			
Public Safety			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 326,494	\$ 321,003
Non-State Funds	---	\$ 49,516	\$ 31,329
<i>Key Performance Indicators</i>			
State Police Uniformed Patrol			
Motor vehicle accident responses	47,693	45,000	45,000
Fatalities under State Police jurisdiction	178	150	150
Fatalities suspected to be related to drugs/alcohol	67	50	50
Traffic stops leading to arrests:			
Consent search/search warrant arrests	0.6%	0.6%	0.6%
Controlled dangerous substance arrests	0.5%	0.4%	0.4%
Driving while intoxicated arrests	0.9%	0.8%	0.8%
Bench warrant arrests	1.4%	1.4%	1.4%

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
State Police Investigations Branch			
Total arrests	2,495	2,500	2,500
Fugitive arrests	968	975	975
Gang member arrests	173	175	175
Forensic/drug analysis/DNA testing			
Average number of days to complete:			
DNA analysis	58	30	30
Trace case	138	60	60
Toxicology case	41	30	30
Drug case	31	15	15
Office of Law Enforcement Professional Standards			
State Police public monitoring reports filed	4	6	6
Criminal Justice			
Criminal investigations - newly opened			
Criminal justice	866	870	875
Office of Insurance Fraud Prosecutor (reduction in caseload is expected because smaller cases will be referred to the Department of Banking and Insurance and County Prosecutors Offices)	311	315	280
Criminal prosecutions - newly initiated			
Criminal justice	552	555	558
Office of Insurance Fraud Prosecutor	68	70	60
Conviction rate (against the number of criminal prosecutions closed)	85.0%	88.1%	88.5%
Medical Examiner services			
Counties using the State Toxicology Lab	6	7	8
Drug tests performed at the State Toxicology Lab:			
Law enforcement	10,405	12,000	13,200
Non-law enforcement (program began January of FY 2012)	n/a	3,000	6,000
Emergency Management			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 22,441	\$ 22,974
Non-State Funds	---	\$ 45,737	\$ 82,773
<i>Key Performance Indicators</i>			
Disaster-declared reimbursements for public assistance (in millions)	\$ 76.9	\$ 24.8	\$ 25.0
Hours spent on preparedness	52,000	52,000	52,000
Exercises/drills performed	140	145	145
Deployments	89	90	90
Services to the State			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 41,173	\$ 40,361
<i>Key Performance Indicators</i>			
Litigation resolved without need of trial	99.0%	97.5%	98.0%
Litigation filed by the State	11,720	12,120	12,600
Services to the Public			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 48,131	\$ 47,742
Non-State Funds	---	\$ 65,044	\$ 68,413
<i>Key Performance Indicators</i>			
Bureau of Securities			
Average response time to an investor from a complaint (in days)	21	7	7
Total registrations	213,104	214,000	213,500
Broker/dealers	1.2%	1.0%	1.0%
Investment advisers	1.3%	1.0%	1.0%
Broker dealer agents	86.3%	87.0%	86.0%
Investment adviser representatives	11.3%	11.0%	12.0%

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Professional Boards			
License renewals conducted on-line	94.0%	96.0%	97.0%
Gaming			
Monthly revenue certification audits completed	11	11	12
Gaming inspections - slot machines (adjusted for new Revel Casino)	73,573	89,000	92,400
Field inspections - slot machines	20.0%	20.0%	20.0%
OFFICE OF HOMELAND SECURITY AND PREPAREDNESS			
Counter-Terrorism Operations			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 1,589	\$ 1,589
<i>Key Performance Indicators</i>			
Training programs to law enforcement, first responders and private sector	118	140	155
Number of new user accounts into NJ Learn (Learning Management System) (FY 2011 increase due to mandated Developmental Disability Awareness Training for NJ First Responders, P.L. 2008, c.80)	4,767	2,872	3,500
State Preparedness			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 2,106	\$ 2,106
<i>Key Performance Indicators</i>			
Total federal grant dollars managed	\$ 354,458,031	\$ 379,055,270	\$ 379,055,270
Total grant dollars returned to the federal government	---	---	---
MILITARY AND VETERANS' AFFAIRS			
National Guard Support Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 6,062	\$ 5,482
Non-State Funds	---	\$ 73,112	\$ 70,581
<i>Key Performance Indicators</i>			
Assigned strength (Army and Air)	102.0%	100.0%	100.0%
Military use days (Joint Training Center)	20,992	25,200	30,000
Other (person days of non-military activity)	51,440	51,600	102,000
Cadet graduations per class (Youth ChalleNGe Academy)	102	100	100
Veterans' Outreach and Assistance			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 10,346	\$ 11,504
Non-State Funds	---	\$ 8,152	\$ 9,185
<i>Key Performance Indicators</i>			
Total State veterans services provided	4,897	1,920	1,920
Veteran transportation rides	25,107	19,920	19,020
PTSD counseling sessions conducted	17,797	13,980	18,240
Veterans Haven occupancy rate	106.7%	100.0%	100.0%
Burial Services - Plot Internment Allowance received from the United States Department of Veterans Affairs	\$505,900	\$802,100	\$1,200,000
Domiciliary and Treatment Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 79,132	\$ 78,430
Non-State Funds	---	\$ 12,748	\$ 12,328
<i>Key Performance Indicators</i>			
Occupancy rate (Menlo Park - Veterans Memorial Home)	97.0%	100.0%	100.0%
Occupancy rate (Paramus - Veterans Memorial Home)	93.0%	96.0%	100.0%
Occupancy rate (Vineland - Veterans Memorial Home)	98.0%	100.0%	100.0%
Approved waiting list of the total resident capacity (Menlo Park)	n/a	50.0%	50.0%
Approved waiting list of the total resident capacity (Paramus)	n/a	30.0%	30.0%
Approved waiting list of the total resident capacity (Vineland)	n/a	35.0%	35.0%

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
State Approving Agency Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 15	\$ 15
Non-State Funds	---	\$ 612	\$ 612
<i>Key Performance Indicators</i>			
Program approvals granted	795	1,800	1,800
STATE - PROPER			
Economic Vitality			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 13,947	\$ 13,947
Non-State Funds	---	---	\$ 650
<i>Key Performance Indicators</i>			
Number of companies counseled	22,922	25,214	27,735
Number of business proposals	124	130	137
Destination marketing organizations grants awarded	15	16	16
Number of cooperative marketing grants awarded	36	36	36
Cultural and Historical Programs			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 25,785	\$ 24,142
Non-State Funds	---	\$ 1,300	\$ 900
<i>Key Performance Indicators</i>			
Number of grant applications received	605	501	580
Number of grants awarded	353	344	368
Number of visitors to State Museum & Planetarium	93,892	98,586	98,586
Civic Engagement Responsibilities			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 11,963	\$ 11,963
Non-State Funds	---	\$ 13,735	\$ 6,150
<i>Key Performance Indicators</i>			
Number of voter registrations received	148,838	200,000	400,000
Number of grant applications received	160	171	205
Number of grants awarded	156	127	138
HIGHER EDUCATION			
State-wide Service to Students and Colleges and Universities			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 1,963,955	\$ 2,059,445
Non-State Funds	---	\$ 42,644	\$ 35,756
<i>Key Performance Indicators</i>			
Enrollment (full time equivalent at NJ public colleges and universities and public mission independent colleges and universities)	342,000	n/a	352,000
Access to financial aid (student awards)	100,337	n/a	100,337
Academic programs reviewed	20	n/a	21

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
TRANSPORTATION - PROPER			
State of Good Repair and Safety			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 502,468	\$ 507,939
Non-State Funds	---	\$ 761,861	\$ 650,476
<i>Key Performance Indicators</i>			
Traffic fatalities per 100 million vehicle miles traveled (calendar year)	0.70	0.70	0.70
Traffic crashes per million vehicle miles traveled (calendar year)	3.24	3.14	3.00
State highway pavement in acceptable condition (calendar year)	50%	50%	53%
State-owned bridges 20 feet or more in length in acceptable condition (calendar year) ...	88%	88%	88%
State-owned bridge deck area in acceptable condition (calendar year)	87%	87%	87%
Average response time for non-emergency pothole repair (in hours)	56.4	30.0	20.0
Average response time for emergency pothole repair (in hours)	2.9	3.0	2.7
Traffic signals inspected needing repair	14.0%	15.0%	14.0%
Crew responses within 90 minutes to electrical operations emergencies such as traffic signal failures	72%	72%	90%
Local Aid			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 207,060	\$ 218,907
Non-State Funds	---	\$ 392,016	\$ 350,355
<i>Key Performance Indicators</i>			
Competitive municipal aid grants awarded by municipalities within 18 months (calendar year)	83%	90%	90%
County aid funds that have been awarded by the counties within 36 months (calendar year)	57%	90%	90%
Program Delivery			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 141,346	\$ 149,047
Non-State Funds	---	\$ 236,578	\$ 227,617
<i>Key Performance Indicators</i>			
Planned construction projects that have been awarded	93%	95%	95%
Average department bill processing time frame for capital payments (in days)	36	40	40
Transportation Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 249,587	\$ 263,804
Non-State Funds	---	\$ 462,420	\$ 375,763
<i>Key Performance Indicators</i>			
Average state highway incident duration (in minutes)	51	50	50
Number of tons of trash picked up	3,758	4,000	4,200
MOTOR VEHICLE COMMISSION			
Improve Driver and Vehicle Safety			
<i>Appropriations (\$000s)</i>			
Non-State Funds	---	\$ 108,532	\$ 119,665
<i>Key Performance Indicators</i>			
Completion rate for individuals scheduled to attend probationary Driver Improvement Program	65%	100%	100%
Average number of bus safety inspections per person (daily rate)	4.5	7.0	7.0
Wait time for an emission inspection at an MVC inspection lane (minutes)	11.0	5.0	5.0
Service Delivery Levels - Driver Testing:			
To receive a scheduled road test for a Class D driver license (calendar days)	16.8	10.0	10.0
To receive a scheduled road test for a CDL driver license (calendar days)	23.8	5.0	5.0
To receive a scheduled road test for a motorcycle driver license (calendar days)	18.8	10.0	10.0

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Service Delivery Levels – Correspondence Response Times:			
To speak with a representative for general information (minutes)	2.9	1.0	1.0
To speak with a representative for surcharge processing (minutes)	21.9	5.0	5.0
To receive a response from an email (business days)	1.0	1.0	1.0
To receive a response from a letter (business days)	10.0	10.0	10.0
To receive a scheduled driver conference (calendar days)	6.0	10.0	10.0
Medical review cases backlogged over three weeks	15%	10%	10%
Improve Customer Identification and Document Security			
<i>Appropriations (\$000s)</i>			
Non-State Funds	---	\$ 174,545	\$ 198,618
<i>Key Performance Indicators</i>			
All major stakeholders trained in fraud/forgery prevention (YTD cumulative)	87%	100%	100%
Service Delivery Levels – Vehicle Registration Business:			
Registrations conducted online	24%	60%	60%
Registrations conducted at local agency offices	30%	10%	10%
Registrations conducted through the mail	44%	28%	28%
Registrations conducted by third party providers	1%	2%	2%
Improve Financial Sustainability			
<i>Appropriations (\$000s)</i>			
Non-State Funds	---	\$ 16,248	\$ 13,736
<i>Key Performance Indicators</i>			
Total federal grant dollars awarded (in millions)	\$ 4.2	\$ 1.0	\$ 1.0
Processed data inquiries which are paid for by the State	50%	10%	10%
TREASURY - PROPER			
Revenue Generation (including Cost Management)			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 117,688	\$ 108,011
Non-State Funds	---	\$ 9,877	\$ 9,827
<i>Key Performance Indicators</i>			
Number of audit completions	147,728	142,838	150,000
Average deposit turnaround in business days	2	2	2
Actual cash collections net of refunds expressed as a percentage of forecast:			
Gross Income Tax	8%	+/-1%	+/-1%
Sales Tax	-1%	+/-1%	+/-1%
Corporation Business Tax	4%	+/-1%	+/-1%
Lottery	-2%	+/-1%	+/-1%
Accuracy of New Jersey economic forecast variance between projection and actual for the calendar year:			
Personal income growth to date	7%	+/-1%	+/-1%
Employment growth to date	1%	+/-1%	+/-1%
Unemployment	10%	+/-1%	+/-1%
Asset Management			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 35,564	\$ 35,564
Non-State Funds	---	\$ 21,465	\$ 21,465
<i>Key Performance Indicators</i>			
Difference between pension fund return and benchmark	1%	1%	1%
Injury rate per employee	9.8%	8.2%	7.5%
Total Worker Compensation costs including medical expenses, wage replacement and related claims expenses per 1,000 across State government	\$ 1,181,400	\$ 1,177,000	\$ 1,147,000
Amount reunited with owner (Unclaimed Property)	\$ 80,637,077	\$ 82,000,000	\$ 84,000,000

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Services to the Public or Local Government Entities			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 33,464	\$ 32,593
Non-State Funds	---	\$ 31,003	\$ 30,828
<i>Key Performance Indicators</i>			
Call center customer service levels (% answered vs. received):			
Taxation	65%	71%	74%
Pensions & Benefits	16%	32%	37%
Revenue	90%	92%	92%
Pension member payments disbursed through electronic funds transfer (EFT)	84%	90%	95%
Business formation/registrations and amended filings processed electronically	82%	75%	80%
Statewide Support Service			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 35,630	\$ 33,924
Non-State Funds	---	\$ 26,744	\$ 25,767
<i>Key Performance Indicators</i>			
Procurements successfully challenged	24%	20%	15%
Cost per printed impression by the State Print Shop	\$ 0.08	\$ 0.08	\$ 0.08
Cost per printed copy by the State Print Shop	\$ 0.08	\$ 0.05	\$ 0.05
Monthly cost per State-owned vehicle	\$ 323	\$ 368	\$ 368
Revenue deposited through EFT	75%	75%	77%
BOARD OF PUBLIC UTILITIES			
Assure Safe Utility Service Delivery			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 4,565	\$ 5,279
Non-State Funds	---	\$ 120	\$ 165
<i>Key Performance Indicators</i>			
Utility damages per 1,000 markout requests	3.0	2.9	2.8
Assure Reliable Utility Service Delivery			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 4,569	\$ 5,279
Non-State Funds	---	\$ 120	\$ 165
<i>Key Performance Indicators</i>			
Dollars spent per customer on pipeline infrastructure replacements and improvements	\$1,050	\$1,060	\$1,070
Average number of customers restored per hour per major outage event	1,200	1,225	1,250
Number of pipeline inspections per 100 miles of main and transmission pipelines in service	2.0	2.1	2.2
Promote Affordable Utility Service			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 71,495	\$ 70,967
Non-State Funds	---	\$ 120	\$ 165
<i>Key Performance Indicators</i>			
Average monthly N.J. residential gas bill - (\$/therm)	\$1.40	\$1.41	\$1.30
Average monthly N.J. residential electric bill - (\$/kwh)	\$0.18	\$0.18	\$0.17
Average monthly N.J. residential water bill - (\$/month)	\$45.00	\$48.00	\$48.50
Post Distribution System Improvement Charge lost and accounted water	15.0%	15.0%	14.5%
Provide Effective Customer Service			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 6,333	\$ 5,263
Non-State Funds	---	\$ 120	\$ 165
<i>Key Performance Indicators</i>			
Number of complaints filed - all utilities	1,600	1,760	1,600
Number of complaints filed - cable	450	450	445

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	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Promote Clean Energy Sources			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 3,703	\$ 3,877
Non-State Funds	---	\$ 5,912	\$ 5,433
<i>Key Performance Indicators</i>			
State facility energy audits updated or completed	n/a	4	10
Number of municipalities utilizing BPU funds (Clean Energy or ARRA) to implement energy efficiency or renewable projects	n/a	438	566
Gas savings achieved through Office of Clean Energy residential, commercial and industrial energy efficiency programs (as of 9/2011) in decatherm by calendar year	n/a	346,000	1,506,000
Electric savings achieved through Office of Clean Energy residential, commercial and industrial energy efficiency programs (as of 9/2011) in megawatt hour by calendar year	n/a	152,000	649,000
OFFICE OF INFORMATION TECHNOLOGY			
IT Governance, Planning and Control			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 1,453	\$ 1,453
<i>Key Performance Indicators</i>			
New applications that went through a physical system architectural review that will be hosted in the State's shared IT Infrastructure or an OIT brokered solution	n/a	70%	70%
Agency IT procurements processed within 21 days or less	59.4%	90%	90%
Maintaining a Secure Shared IT Infrastructure			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 18,022	\$ 25,252
<i>Key Performance Indicators</i>			
Availability of the State's Internet presence	99.98%	99.95%	99.95%
Core network availability (New Jersey Garden State Network)	99.95%	99.95%	99.95%
Help Desk calls resolved on the first call	49%	70%	70%
Information storage backup success rate	99.65%	100%	100%
New telecommunication installations that will be hosted on the OIT shared communications infrastructure	50%	100%	100%
Compliance with Information Security Framework	39.33%	60%	60%
Supporting Agency and Enterprise Applications and IT Systems			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 18,435	\$ 18,435
<i>Key Performance Indicators</i>			
Average time to deliver a reporting solution from data within the Enterprise Data Warehouse (in weeks)	13	6	6
Amount of data available for reuse in the Enterprise Data Warehouse as measured by the number of discreet files available to support new system development and information analytics	500	600	660
Amount of data available for reuse in the Enterprise Data Warehouse for new systems development and information analytics (in gigabytes)	2,520	2,700	2,700
Number of data warehouse user accounts	2,620	2,800	2,800
Average number of applications reusing each common Geographic Information Systems (GIS) data set	3.5	5.5	5.5

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
Sample Application Availability			
General Availability of NJ.Gov	98.28%	99.99%	99.99%
System for Administering Grants Electronically (SAGE)	n/a	99.99%	99.99%
Family Assistance Management Information System (FAMIS) - a system that maintains all relevant demographic information determines program eligibility and benefit amounts	99.2%	99.99%	99.99%
Medicaid Eligibility System (MES) - a system that maintains information on the New Jersey residents who qualify for health care benefits under federal Title XIX (Medicaid) regulations	99.3%	99.99%	99.99%
Online Management for Economic Goal Achievement (OMEGA) - a system that provides assistance support for Temporary Assistance to Needy Families (welfare) for child care, training, education and travel expenses so individuals can become self-sufficient	99.2%	99.99%	99.99%
FAMIS Batch Process and Output	91.3%	95%	95%
MES Process and Output	87.3%	95%	95%
OMEGA Process and Output	94%	95%	95%
Supporting State and Local Emergency Telecommunications Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 13,272	\$ 13,272
<i>Key Performance Indicators</i>			
Public safety answering points that are audited and found in compliance with the administrative regulations	100%	100%	100%
Public safety telecommunications training course students who successfully pass the certification exam	100%	100%	100%
Emergency medical dispatch training course students who successfully pass the certification exam	97%	100%	100%
Total coverage of the State under Enhanced 9-1-1	100%	100%	100%
PUBLIC DEFENDER			
Providing Appropriate Effective Legal Representation			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 119,916	\$ 119,916
Non-State Funds	---	\$ 223	\$ 223
<i>Key Performance Indicators</i>			
Children subject to Abuse/Neglect complaints - newly opened cases	6,580	7,316	7,316
Children in Termination of Parental Rights - newly opened cases	1,180	1,180	1,104
Combined Law Guardian average attorney caseload	112	88	88
Indigent parent charged with Civil Abuse/Neglect - newly opened cases	5,712	6,600	6,600
Indigent parent in Termination of Parental Rights - newly opened cases	1,180	1,074	1,074
Combined Parental Representation average attorney caseload	60	75	75
Adult criminal - newly opened cases	59,183	59,183	59,183
Average attorney caseload	n/a	150	150
Juvenile criminal - newly opened cases	13,068	13,068	13,068
Average attorney caseload	n/a	200	200
Mental health hearings	17,577	17,577	17,577
Scheduled hearings - average number of attorney appearances	1,172	1,172	1,172
Providing Mediation Services			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 533	\$ 533
Non-State Funds	---	\$ 341	\$ 341
<i>Key Performance Indicators</i>			
Mediation - newly opened cases	1,144	920	920
Average mediator caseload	229	184	184

FY13 Citizens' Guide: Core Mission Summaries

	Actual FY 2011	Performance Target FY 2012	Performance Target FY 2013
ECONOMIC DEVELOPMENT AUTHORITY (a)			
Advancing Job Creation and Retention Incentives to Grow Businesses in New Jersey			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 175,000	\$ 178,600
<i>Key Performance Indicators</i>			
Amount of assistance provided through approved applications in millions	\$ 377.7	\$ 420.0	n/a
Public/private investment leveraged in billions	\$ 2.2	\$ 1.25	n/a
Providing Financing to Small and Mid-Sized Businesses and Not-for-Profits			
<i>Appropriations (\$000s)</i>			
Non-State Funds	\$ 10,500	\$ 53,000	n/a
<i>Key Performance Indicators</i>			
Amount of assistance provided through approved applications in millions	\$ 369.5	\$ 60.0	n/a
Public/private investment leveraged in millions	\$ 978.5	\$ 450.0	n/a
Supporting Redevelopment Projects that Revitalize Communities and Stimulate the Economy			
<i>Appropriations (\$000s)</i>			
State Funds	---	\$ 10,263	\$ 21,713
<i>Key Performance Indicators</i>			
New jobs on Fort Monmouth property by end of calendar year 2012	---	150	n/a
Providing Entrepreneurial Development through Training and Mentoring Programs			
<i>Appropriations (\$000s)</i>			
Non-State Funds	\$ 300	\$ 350	n/a
<i>Key Performance Indicators</i>			
Number of clients counseled through partners	7,742	16,000	n/a

(a) The NJEDA operates on a calendar year, rather than on the State's fiscal year. As a result, Actual fiscal year 2011 numbers shown are actuals for calendar year 2011. Performance Targets for fiscal year 2012 are Performance Targets for calendar 2012.

Notes:

Appropriations data by Core Mission is not available for fiscal year 2011. Appropriations data for fiscal years 2012 and 2013 reflect the level of support budgeted for each core mission.

Some Key Performance Indicators are not available for fiscal year 2011. Additional information regarding Core Missions and their related Key Performance Indicators may be found in the Governor's Performance Center at www.YourMoney.NJ.gov.

Appendix

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 2013

To the Senate:

Pursuant to Article V, Section 1, Paragraph 15 of the New Jersey State Constitution, I am appending to Senate Bill No. 2013, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

While the Legislature passed a General Appropriations Law for Fiscal 2013 that largely reflects the budget recommendations I submitted on February 21, 2012 in accordance with the provisions of C.52:27B-20, Senate Bill No. 2013's amendments to my budget represent a step backwards and jeopardize the hard fought progress of the last two years.

Senate Bill No. 2013 violates two core priorities of my administration.

First, it denies middle-class New Jerseyans critical and long overdue tax relief while in separate legislation, now before me, the Legislature has proposed a massive \$800 million tax increase that would undermine economic growth, investment and the creation of jobs for New Jerseyans.

Second, Senate Bill No. 2013 weakens our commitment to fiscal responsibility by including additions to spending that undermine both the strong support for key priorities already included in my proposed budget and the fiscal discipline and restraint we have adhered to over the last two years. While this bill adds additional spending, it also inexplicably denies critical funding to meet key priorities such as children's services, education, legal obligations and employee benefits.

As Governor, I will not approve a budget that departs from our commitment to tax relief, reform and fiscal responsibility while weakening our long-term economic competitiveness.

Accordingly, keeping faith with my commitment to New Jerseyans and my constitutional obligation to ensure that the State enters the next fiscal year with a responsible, balanced budget, I am compelled to make modifications as reflected herein.

Continuing the New Jersey Comeback

The General Appropriations Law for Fiscal Year 2013, as modified, that I have signed today keeps our promise to the people of New Jersey to adopt a constitutionally balanced State budget, maintain fiscal discipline and accelerate the New Jersey Comeback. For a third consecutive year, New Jersey will have a budget that restricts direct State government spending, at a level still below that of Fiscal Years 2008 and 2009; does not raise taxes on New Jersey families; increases New Jersey's competitiveness; and continues to fund key priorities to protect vulnerable New Jerseyans and secure our State's future growth and prosperity. Moreover, the modifications I am making today will more than double the Fiscal Year 2013 projected ending fund balance from the level projected in the budget recommendations I submitted on February 21, 2012, while also exceeding levels in the budget as passed by the Legislature.

The budget as adjusted spends \$31.7 billion, \$86 million less than the budget approved by the Legislature, while providing funding for essential services, programs and priorities, including:

- Increasing State aid to school districts by \$199.2 million over last year;
- Providing an additional \$347.5 million in targeted tax cuts and incentives to grow New Jersey's economy and create jobs;

- Fulfilling New Jersey's commitment to its pensioners by making one of the largest pension payments in New Jersey history;
- Expanding New Jersey's Drug Court program;
- Expanding residential and community mental health settings;
- Funding two new State Police recruit classes;
- Increasing higher education student financial assistance;
- Increasing community placements and support for New Jerseyans with developmental disabilities;
- Providing critical aid to municipalities;
- Protecting funding for the Homestead Benefit, the Senior and Disabled Citizens' Property Tax Freeze program, and other forms of direct property tax relief;
- Protecting funding for New Jersey's hospitals;
- Expanding the successful Veterans Haven program to northern New Jersey; and
- Preserving critical spending for senior and disabled prescription aid.

Line Item Vetoes

Over the last two years, we made a commitment to put our State and its finances on a better, more sustainable path. The General Appropriations Law for Fiscal 2011 and the adoption of landmark legislation to reform interest arbitration, impose a two percent cap on local property tax increases, reform our public employee pension and health benefits systems and achieve dramatic pro-growth business tax reforms and reductions all serve as examples of how – working together on a bipartisan basis – we can achieve fiscal reform that will lead to long-term economic growth and lasting fiscal health. Unfortunately, as approved by the Legislature, Senate Bill No. 2013 threatens ongoing reforms and

tries to undo the progress we have made in strengthening New Jersey's finances and economy.

First, Senate Bill No. 2013 adds new spending and anticipates new revenues that I cannot support, or certify, responsibly.

Second, Senate Bill No. 2013 imperils the forward progress of reform by impeding important initiatives, notably with respect to education, health services and services to youth as noted below.

With respect to education, this bill reduces funding for the Department of Education's Regional Achievement Centers, hobbling the Department's efforts to advance innovative student achievement strategies, while omitting common sense measures to reform adjustment aid and improve the fairness and accuracy of funding allocations based on enrollment and several measures of economic need.

With respect to health services, Senate Bill No. 2013 would impede the State's ongoing, complex transition to managed care by restricting the State's Medicaid managed care organizations' ability to contract and negotiate with service providers. A competitive marketplace ensures an adequate and accessible network which will result in the most cost-effective service delivery for taxpayers.

With respect to youth services, Senate Bill No. 2013 reduces funding that put at risk the State's hard-won progress and longstanding objective of providing services to youth in the most appropriate setting, with particular emphasis on supporting their ability to reside in their communities.

Third, Senate Bill No. 2013 imposes unnecessary and burdensome restrictions on the normal operation of executive agencies by, among other measures, extending the purview of the

statutorily created Joint Budget Oversight Committee, in a series of specific circumstances, beyond generally accepted norms of legislative oversight.

Fourth, Senate Bill No. 2013 fails to provide necessary funding to meet certain needs that can be ascertained or reasonably foreseen at this time.

Senate Bill No. 2013 irrationally cuts millions from the Department of Children and Families' child protection and permanency services. This bill also cuts millions in mobile response services and intensive in-home behavioral assistance. This decrease will challenge services to youth in acute crisis and is fundamentally inconsistent with the State's commitment to serve more families and youth in the community rather than in institutional settings.

With respect to the Department of Human Services, this bill reduces funding by millions of dollars for substance abuse programs and services that help assist New Jersey's most vulnerable.

Senate Bill No. 2013 eliminates funding for important energy efficiency projects underway at State facilities.

Senate Bill No. 2013 fails to provide sufficient funds to meet the State's anticipated obligations with respect to employer taxes and banking services. Moreover, it anticipates \$20 million in additional savings from debt restructuring without substantiation.

As this budget, as passed by the Legislature, fails to accelerate the New Jersey Comeback, denies hard working, middle-class New Jerseyans the relief they deserve after years of shared sacrifice and threatens to send the wrong message to the people, businesses and innovators who wish to join us in the Comeback, I am, accordingly, appending to Senate Bill No. 2013, at the time

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EXECUTIVE DEPARTMENT
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of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:

/s/ Charles McKenna
Chief Counsel to the Governor

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16 DEPARTMENT OF CHILDREN AND FAMILIES

- 32 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 33 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 33 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.

22 DEPARTMENT OF COMMUNITY AFFAIRS

- 39 The appropriation of \$113,660,000 for Transitional Aid to Localities is reduced to reflect the revised July 1, 2011 actuarial valuations as approved and adopted by the various pension fund boards. State support for localities participating in the Transitional Aid to Localities program is reduced to reflect pension contribution savings during fiscal year 2013.

26 DEPARTMENT OF CORRECTIONS

- 46 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.

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- 46 Language related to reporting by the Commissioner of Corrections regarding the Purchase of Community Services has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency, safety, accountability, and consistency with the Governor's budget recommendations for fiscal year 2013. The Administration recognizes the critical importance of maintaining client safety as well as accountability for the efficient expenditure of State dollars for the purchase of community services and this language has been modified accordingly. Requiring quarterly, as opposed to annual or periodic reporting, regarding each of the ten statistical and operational categories listed is neither appropriate nor an advisable use of resources. For example, inappropriately broad language concerning security measures and disciplinary proceedings has been eliminated to preserve the security of the facilities and their clients. The Administration has retained robust reporting requirements and will continue to publish online information related to the operation of these facilities.
- 48 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.

34 DEPARTMENT OF EDUCATION

- 50 The appropriation of \$7,000,000 for Nonpublic Technology Aid is reduced while preserving the first increase in over a decade. The Governor's budget recommendations appropriately balanced spending priorities with available revenues. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted to the originally recommended level of \$3,000,000. The related language on page 51 has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to restore consistency with the Governor's budget recommendations for fiscal year 2013. The rate is restored to the level originally recommended by the Governor.
- 52 Language related to wireless tablet computer hardware and software has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to restore consistency with the Governor's budget recommendations for fiscal year 2013. Decisions regarding technology purchases are more appropriately made at the school district level.
- 55 Language related to grants for after-school and summer activities has been eliminated pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's budget recommendations for fiscal year 2013. The Commissioner of Education should retain the discretion to award these grant funds through a broader competitive process than specified in this proposed language. This budget ensures that funding will be available to qualified statewide youth development organizations for after-school and summer activities and programming targeting high- and moderate-risk children.
- 56 The appropriation of \$631,313,000 for Teachers' Pension and Annuity Fund (PTRF) is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.

46 DEPARTMENT OF HEALTH

- 77 Language related to health funding has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to restore consistency with the Governor's budget recommendations for fiscal year 2013. The Governor's budget recommendations are consistent with the intended purposes of the Brain Injury Research Fund.

54 DEPARTMENT OF HUMAN SERVICES

- 102 The appropriation of \$686,429,000 for Payments for Medical Assistance Recipients – Nursing Homes is reduced while allowing the appropriation to remain \$15,000,000 above the fiscal year 2012 level. Providing funding at this level will enable reimbursement to be provided commensurate with patient acuity while making sure no nursing home is disproportionately impacted by the new reimbursement structure. The related language on page 103 has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote equity and fairness in the distribution of available funds, consistent with the intent of the Governor's budget recommendations for fiscal year 2013.

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- 102 The appropriation of \$9,283,000 for Medical Day Care Services is restored to the original recommended level for fiscal year 2013. The Governor's budget recommendations appropriately balanced spending priorities with available revenues. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted to the originally recommended level. The related language on page 103 has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to restore consistency with the intent of Governor's budget recommendations for fiscal year 2013. As originally proposed, the language governing medical day care service providers was intentionally limited to the per diem reimbursement rate paid by the State in the fee-for-service context. The recommended language was not intended to mandate or otherwise establish the rate for managed care organizations and others that may enter into contracts with adult medical day care service providers. Mandating application of State rates in all cases would be inappropriate and could severely undermine the whole purpose of the transition to modern managed care. This language, as herein modified, is not intended to establish, specify, or mandate any particular reimbursement rate for any managed care organization or other entity that contracts with adult medical day care providers. Those rates properly should be left to market forces to establish.
- 111 The appropriation of \$6,084,000 for Payments for Medical Assistance Recipients-Waiver Initiatives is restored to the original recommended level for fiscal year 2013. The Governor's budget recommendations appropriately balanced spending priorities with available revenues. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted to the originally recommended level. At the originally recommended level, this appropriation should be sufficient to fund the related budget language providing for a rate increase for certain nursing services.
- 112 Language related to the hourly rates for certain fee-for-service personal care assistant services has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to restore consistency with the Governor's budget recommendations for fiscal year 2013. The amended language allows the fee-for-service rate to remain consistent with current reimbursement levels.
- 119 The appropriation of \$311,684,000 for Work First New Jersey Child Care is reduced while preserving a \$2,000,000 increase over the original budget recommendation. The Legislature's addition of funds to the Governor's budget recommendations for fiscal year 2013 provided more resources than are necessary to satisfy the goal of providing subsidized child care for eligible families regardless of where the child resides. The appropriation is reduced accordingly.
- 120 Language requiring the Commissioner of Human Services to make a certification on November 1, 2012 concerning anticipated unexpended sums has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to maintain consistency with the Governor's budget recommendations for fiscal year 2013.
- 120 Language requiring the Commissioner of Human Services to modify departmental procedures to avoid "inadvertently" denying services or reimbursement in the enforcement of eligibility and payment requirements for the Work First Child Care Program has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to maintain consistency with the Governor's budget recommendations for fiscal year 2013.
- 125 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 125 Language requiring the Commissioner of Human Services to implement a system for granting hardship appeal exceptions for Medicaid nursing home rates for certain facilities has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to maintain consistency with the Governor's budget recommendations for fiscal year 2013. While the budget includes a significant increase in funding for nursing homes, no monies are provided to implement this language.
- 125 Language requiring the Commissioner of Human Services to provide two reports to the Legislature concerning the move to modern managed care has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to maintain consistency with the Governor's budget recommendations for fiscal year 2013. The department already makes a large amount of performance data and other metrics available to the public on its website.

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- 125 Language requiring the Commissioner of Human Services to “work with” stakeholders affected by the move to modern managed care with respect to a list of implementation issues has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to maintain consistency with the Governor’s budget recommendations for fiscal year 2013. The Commissioner and departmental staff already work in collaboration with affected stakeholders.
- 126 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor’s original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee’s jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 126 Language requiring the Commissioner of Human Services to submit a State Plan Amendment to the federal Centers for Medicare and Medicaid Services has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to maintain consistency with the Governor’s budget recommendations for fiscal year 2013. During the pendency of the State’s current waiver application, it is appropriate to refrain from seeking further State Plan Amendments.

66 DEPARTMENT OF LAW AND PUBLIC SAFETY

- 137 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor’s original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee’s jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 144 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor’s original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee’s jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.

74 DEPARTMENT OF STATE

- 151 The appropriation of \$29,019,000 for Opportunity Program Grants is reduced while preserving the \$500,000 increase over fiscal year 2012. The Governor’s budget recommendations appropriately balanced spending priorities with available revenues. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted to the originally recommended level.
- 157 The appropriation of \$3,921,000 for Thomas A. Edison State College is reduced. The Governor’s budget recommendations appropriately balanced spending priorities with available revenues. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted to the originally recommended level.
- 164 Language related to grants for Destination Marketing Organizations has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to maintain consistency with the Governor’s budget recommendations for fiscal year 2013. These organizations have historically received this funding.

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82 DEPARTMENT OF THE TREASURY

- 178 The appropriation of \$145,000 for Employer Contributions - Teacher's Pension and Annuity Fund is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 179 The appropriation of \$500,000 for the New Jersey Business Incubation Network is eliminated. The Governor's budget recommendations appropriately balanced spending priorities with available revenues. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted to the originally recommended level.
- 192 The appropriation of \$19,528,000 for Police and Firemen's Retirement System (P.L.1979, c.109) is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 195 The appropriation of \$19,800,000 for Legal Services of New Jersey - Legal Assistance in Civil Matters is reduced. The Governor's budget recommendations appropriately balanced spending priorities with available revenues. Subsequent actions by the Legislature adversely affected the State's ability to increase funding in the manner originally intended. Based on official certification of the available revenues for fiscal year 2013, this appropriation is adjusted.
- 196 Language related to the appropriation of funds from the 21st Century Justice Improvement Fund has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to recognize the non-existence of the fund at the time of the enactment of the fiscal year 2013 budget.

94 INTERDEPARTMENTAL ACCOUNTS

- 199 Language exempting Thomas A. Edison State College from the provisions of current budget language governing other governmental entities, except the Legislature, with respect to leases and rentals of offices and buildings has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to ensure consistency with the Governor's budget recommendations for fiscal year 2013.
- 205 The appropriation of \$257,624,000 for Public Employees' Retirement System is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 205 The appropriation of \$60,697,000 for Police and Firemen's Retirement System is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 205 The appropriation of \$1,790,000 for Police and Firemen's Retirement System (P.L.1979, c.109) is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 205 The appropriation of \$26,956,000 for State Police Retirement System is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 205 The appropriation of \$12,388,000 for Judicial Retirement System is reduced to reflect the revised July 1, 2011 actuarial valuation. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 205 The appropriation of \$1,692,000 for Teachers' Pension and Annuity Fund is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 207 The appropriation of \$23,477,000 for Public Employees' Retirement System is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 207 The appropriation of \$4,836,000 for Police and Firemen's Retirement System is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.
- 207 The appropriation of \$379,000 for Teachers' Pension and Annuity Fund is reduced to reflect the revised July 1, 2011 actuarial valuation as approved and adopted by the pension fund board. The reduced amount will be sufficient to fund the fiscal year 2013 pension contribution.

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GENERAL PROVISIONS

- 257 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 267 Language related to State Urban Enterprise Zone Authority administrative funds has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote consistency with the Governor's budget recommendations for fiscal year 2013.
- 268 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 269 Language related to funds appropriated from New Jersey Affordable Housing Trust Fund has been modified pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to maintain consistency with the Governor's budget recommendations for fiscal year 2013.
- 270 Language related to the use of sums appropriated to the General Fund from the Mortgage Servicing Settlement Fund has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to maintain consistency with the Governor's budget recommendations for fiscal year 2013.
- 270 Language related to the Joint Budget Oversight Committee (JBOC) has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's original budget recommendations for fiscal year 2013. The Administration recognizes the utility and appropriateness of permitting flexibility in the handling of appropriations during the course of the fiscal year. Inevitably, there will be a need for adjustments and transfers from some items of appropriation to other items based on shifting needs and utilization during the course of the fiscal year. The Joint Budget Oversight Committee plays an important role in the process of allowing for timely accommodation of adjustments that become necessary during the year. The Administration is committed to working closely and collaboratively with legislative leadership, members of the Joint Budget Oversight Committee, and the Legislative Budget and Finance Officer concerning all matters currently within the Joint Budget Oversight Committee's jurisdiction. Expanding that jurisdiction in the manner proposed by the Legislature, however, cannot be accepted at this time.
- 270 Language requiring the commissioners or chief executives of departments and agencies to report to the presiding officers of the Legislature under certain circumstances has been removed pursuant to Article V, Section I, paragraph 15 of the New Jersey Constitution in order to promote efficiency and to restore consistency with the Governor's budget recommendations for fiscal year 2013.

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Respectfully,

[seal]

/s/ Chris Christie
Governor

Attested,

/s/ Charles B. McKenna
Chief Counsel

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16 DEPARTMENT OF CHILDREN AND FAMILIES

50 Economic Planning, Development, and Security

55 Social Services Programs

GRANTS-IN-AID

Grants-In-Aid:

- 32 "In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred among accounts in the Child Integrated System of Care Services program classification. Amounts may also be transferred to and from various items of appropriation within the General Medical Services program classification of the Division of Medical Assistance and Health Services in the Department of Human Services and the Child Integrated System of Care Services program classification in the Department of Children and Families. All such transfers are subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee)). Notice of the Director of the Division of Budget and Accounting's approval shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer."

The language within double parentheses is deleted.

- 33 "Of the amounts hereinabove appropriated for Out-of-Home Placements and Independent Living and Shelter Care, such amounts as determined by the Department of Children and Families may be transferred between such accounts to properly align expenditures based upon changes in client placements, subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee))."

The language within double parentheses is deleted.

- 33 "Of the amounts hereinabove appropriated for Foster Care and Subsidized Adoption, such amounts as determined by the Department of Children and Families may be transferred between such accounts to address the movement of children from foster care to a permanent adoption setting, subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee))."

The language within double parentheses is deleted.

22 DEPARTMENT OF COMMUNITY AFFAIRS

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

STATE AID

"04-8030	Local Government Services	\$679,321,000."
	This item is reduced to \$674,321,000.	
	"(From General Fund	\$119,260,000),"
	This item is reduced to \$114,260,000.	
	"Total State Aid Appropriation, State Subsidies and Financial Aid	\$679,321,000."
	This item is reduced to \$674,321,000.	
	"(From General Fund	\$119,260,000),"
	This item is reduced to \$114,260,000.	
<i>State Aid:</i>		
39	" 04 Transitional Aid to Localities	(\$113,660,000)."
	This item is reduced to \$108,660,000.	
	"Department of Community Affairs, Total State Appropriation	\$755,918,000."
	This item is reduced to \$750,918,000.	\$755,918,000."

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26 DEPARTMENT OF CORRECTIONS

10 Public Safety and Criminal Justice

16 Detention and Rehabilitation

7025 System-Wide Program Support

GRANTS-IN-AID

Grants-In-Aid:

- 46 "Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Purchase of Community Services shall be subject to the following condition: in order to permit flexibility and efficiency in the housing of State inmates, the operational capacity of the Residential Community Release Program, as a place of confinement, shall be determined by the Commissioner of Corrections as authorized by section 2 of P.L.1969, c.22 (C.30:4-91.2), subject to the approval of the Director of the Division of Budget and Accounting. ((Notice of the determination by the Commissioner of Corrections shall be provided to the Joint Budget Oversight Committee.))"

The language within double parentheses is deleted.

- 46 "The amounts hereinabove appropriated for the Purchase of Community Services is conditioned upon the following: the Commissioner of Corrections shall report ((quarterly)) to the Presiding Officers of the Legislature in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1) on the operation of each Community Based Residential Placement. The report shall include, but not be limited to, the following: (a) the total reimbursement provided, (b) the rate of reimbursement received per client, (c) the number of clients for which reimbursement was received, (d) the number of clients imprisoned for violent crimes and the total number of days such clients were imprisoned, (e) the number of clients imprisoned for non-violent crimes and the total number of days such clients were imprisoned, (f) the number of escapes by clients imprisoned for violent crimes and the number of escapes by clients imprisoned for non-violent crimes, (g) ((the actions taken to protect clients imprisoned for non-violent crimes from clients imprisoned for violent crimes, (h)))the number of incidents involving physical violence documented((, (i) the disciplinary actions taken against clients accused of violent activity, and (j) the actions taken to prevent violent behavior from occurring))."

The language within double parentheses is deleted.

10 Public Safety and Criminal Justice

17 Parole

GRANTS-IN-AID

Grants-In-Aid:

- 48 "Of the amounts hereinabove appropriated for Grants-In-Aid, an amount not to exceed \$3,000,000 may be transferred to other State departments or agencies as directed by the Chairman of the State Parole Board to provide services to parolees as requested by the Governor's Task Force on Recidivism Reduction, subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee))."

The language within double parentheses is deleted.

34 DEPARTMENT OF EDUCATION

30 Educational, Cultural, and Intellectual Development

31 Direct Educational Services and Assistance

STATE AID

"02-5120 Nonpublic School Aid	\$86,503,000."
This item is reduced to \$82,503,000.	
"Total State Aid Appropriation, Direct Educational Services and Assistance	\$8,585,638,000."
This item is reduced to \$8,581,638,000.	
"(From General Fund	\$753,185,000)."
This item is reduced to \$749,185,000.	

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State Aid:

- 50 " 02 Nonpublic Technology Initiative (\$7,000,000)."
This item is reduced to \$3,000,000.
- 51 "Notwithstanding the provisions of any other law or regulation to the contrary, Nonpublic Technology Initiative Aid shall be paid to school districts and allocated for nonpublic school pupils at the rate of ((\$40)) per pupil in a manner that is consistent with the provisions of the federal and State constitutions."

The amount within double parenthesis is reduced to \$20.
- 52 "The Commissioner of the Department of Education shall certify by January 1, 2013 to the Director of the Division of Budget and Accounting whether there are amounts anticipated to be unexpended at the end of the fiscal year from General Formula Aid accounts. Subject to the approval of the Director of the Division of Budget and Accounting, from these amounts the Commissioner of Education shall award competitive grants in a total amount not to exceed \$9,000,000 to school districts for the purchase of wireless tablet computer hardware and software to support special education programs."

The quoted language is deleted in its entirety.

30 Educational, Cultural, and Intellectual Development

34 Educational Support Services

GRANTS-IN-AID

Grants-In-Aid:

- 55 "The amount hereinabove appropriated for Grants for After School and Summer Activities for At-Risk Children shall be awarded by the Commissioner of Education pursuant to a competitive process to Statewide youth development organizations for after school activities and summer programming targeting high and moderate risk children."

The quoted language is deleted in its entirety.

STATE AID

"39-5095 Teachers' Pension and Annuity Assistance		\$2,435,667,000."
This item is reduced to \$2,416,787,000.		
"(From Property Tax Relief Fund	\$2,435,667,000)."	
This item is reduced to \$2,416,787,000.		
"Total State Aid Appropriation, Educational Support Services		\$3,181,208,000."
This item is reduced to \$3,162,328,000.		
"(From Property Tax Relief Fund	\$3,069,208,000)."	
This item is reduced to \$3,050,328,000.		\$3,069,208,000."

State Aid:

- 56 " 39 Teachers' Pension and Annuity Fund (PTRF) (\$631,313,000)."
This item is reduced to \$612,433,000.
- "Department of Education, Total State Appropriation \$11,806,834,000."
This item is reduced to \$11,783,954,000.

46 DEPARTMENT OF HEALTH

20 Physical and Mental Health

21 Health Services

DIRECT STATE SERVICES

Direct State Services:

- 77 "The Commissioner of Health shall ensure that all monies appropriated to the New Jersey Brain Injury Research Fund shall be used exclusively for the purposes of the fund pursuant to section 9 of P.L.2003, c.200 (C.52:9EE-9)."

The quoted language is deleted in its entirety.

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54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

26 Division of Aging Services

GRANTS-IN-AID

	"20-7530 Medical Services for the Aged	\$836,527,000."
	This item is reduced to \$815,527,000.	
	"(From General Fund	\$736,407,000)."
	This item is reduced to \$715,407,000.	
	"Total Grants-In-Aid Appropriation, Division of Aging Services	\$966,813,000."
	This item is reduced to \$945,813,000.	
	"(From General Fund	\$788,907,000)."
	This item is reduced to \$767,907,000.	

Grants-In-Aid:

- | | | |
|-----|---|-------------------|
| 102 | " 20 Payments for Medical Assistance Recipients - Nursing Homes
This item is reduced to \$671,429,000. | (\$686,429,000)." |
| 102 | " 20 Medical Day Care Services
This item is reduced to \$3,283,000. | (\$9,283,000)." |
| 103 | "Notwithstanding the provisions of N.J.A.C.8:85 or any law or other regulation to the contrary, the amounts hereinabove appropriated for Payments for Medical Assistance Recipients - Nursing Homes and Global Budget for Long Term Care shall be conditioned upon the following: (1) the per diem rate for each ((non-Class I) nursing home shall not be less than the per diem rate last received by that facility for Fiscal Year 2012 and (2) monies designated pursuant to subsection c. of section 6 of P.L.2003, c.105 (C.26:2H-97) for distribution to nursing homes less the portion of those funds to be paid as pass-through payments in accordance with paragraph 1 of subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97) shall be combined with amounts hereinabove appropriated for Payments for Medical Assistance Recipients - Nursing Homes and Global Budget for Long Term Care for the purpose of Medicaid reimbursement to nursing facilities according to the rate setting methodology established in N.J.A.C.8:85. For the purposes of this paragraph, a nursing facility's per diem reimbursement rate shall not include, if the nursing facility is eligible for reimbursement, the difference between the full calculated provider tax add-on and the quality of care portion of the provider tax add-on." | |

The language within double parentheses is deleted.

- | | | |
|-----|--|--|
| 103 | "Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated for Medical Day Care Services shall be conditioned upon the following provision: the per diem reimbursement rate for ((all)) adult Medical Day Care providers shall be set at ((\$85.88)). ((The per diem rate of \$85.88 will be utilized by the Department of Human Services as the formal New Jersey Medicaid published rate for Adult Medical Day Care services. This provision shall apply to managed care organizations who contract with Adult Medical Day Care providers and in no instance shall managed care organizations reimburse Adult Medical Day Care providers less than this published rate.))" | |
|-----|--|--|

The amount within double parentheses is reduced to \$78.50.

The language within double parentheses is deleted.

20 Physical and Mental Health

27 Disability Services

7545 Division of Disability Services

GRANTS-IN-AID

	"27-7545 Disability Services	\$56,841,000."
	This item is reduced to \$54,667,000.	
	"(From General Fund	\$36,605,000)."
	This item is reduced to \$34,431,000.	
	"Total Grants-In-Aid Appropriation, Division of Disability Services	\$56,841,000."
	This item is reduced to \$54,667,000.	
	"(From General Fund	\$36,605,000)."
	This item is reduced to \$34,431,000.	

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Grants-In-Aid:

111 "27 Payments for Medical Assistance Recipients - Waiver Initiatives (\$6,084,000)."
This item is reduced to \$3,910,000.

112 "Notwithstanding the provisions of any law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205, of the amount hereinabove appropriated for Payments for Medical Assistance Recipients - Personal Care, personal care assistant services shall be authorized prior to the beginning of services by the Director of the Division of Disability Services. The hourly rate for fee-for-service personal care services shall ((not)) be ((less than)) \$15.50."

The language within double parentheses is deleted.

50 Economic Planning, Development, and Security

53 Economic Assistance and Security

7550 Division of Family Development

GRANTS-IN-AID

"15-7550	Income Maintenance Management	\$470,484,000."
	This item is reduced to \$468,484,000.	
	"(From General Fund	\$164,154,000)."
	This item is reduced to \$162,154,000.	
	"Total Appropriation, State, Federal and All Other Funds	\$470,484,000."
	This item is reduced to \$468,484,000.	
	"(From General Fund	\$164,154,000)."
	This item is reduced to \$162,154,000.	
Less:		
	"Total Deductions	\$306,330,000."
	"Total Grants-In-Aid Appropriation, Division of Family Development	\$164,154,000."
	This item is reduced to \$162,154,000.	

Grants-In-Aid:

119 "15 Work First New Jersey Child Care (\$311,684,000)."
This item is reduced to \$309,684,000.

120 "The Commissioner of Human Services shall certify on November 1, 2012 to the Director of the Division of Budget and Accounting whether there are amounts anticipated to be unexpended at the end of the fiscal year 2012-2013 from the Work First New Jersey Child Care appropriation. Subject to the approval of the Director of the Division of Budget and Accounting, such anticipated unexpended amounts may be allocated by the Commissioner to Head Start programs for wrap around services to high-need children in non-Abbott school districts."

The quoted language is deleted in its entirety.

120 "The amount hereinabove appropriated for Work First New Jersey Child Care is conditioned upon the following: the Commissioner of Human Services shall modify procedures so as to avoid inadvertently depriving eligible families from services or inadvertently depriving providers from appropriate reimbursement for services rendered in good faith."

The quoted language is deleted in its entirety.

"Department of Human Services, Total State Appropriation	\$6,335,266,000."
This item is reduced to \$6,310,092,000.	

125 "To effectuate the orderly consolidation or closure of a developmental center or psychiatric hospital, amounts hereinabove appropriated for the State developmental centers and State psychiatric hospitals may be transferred to accounts throughout the Department of Human Services in accordance with the plan adopted pursuant to section 2 of P.L.1996, c.150 (C.30:1-7.4) to consolidate or close a developmental center or State psychiatric hospital, subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee))."

The language within double parentheses is deleted.

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- 125 "The amount hereinabove appropriated for Grants-In-Aid shall be conditioned upon the following condition: the Commissioner of Human Services shall implement a system for granting hardship appeal exceptions for Medicaid Nursing Home Rates for facilities providing more than 80 percent of their annual care to Medicaid recipients."

The quoted language is deleted in its entirety.

- 125 "The appropriations hereinabove for the Department of Human Services' Managed Care Initiative are conditioned upon the provision of two reports to the Legislature on the implementation of the move to managed care for long-term care in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1). The first report shall be due on or before September 1, 2012 and the second report shall be due on or before May 1, 2013. The reports shall include: progress to date; communications plans to enrollees; enrollee satisfaction with care coordination, case management and timeliness of care; service utilization, including changes in levels, hours, frequency, number and types of services and providers; number of recipients, by program, including nursing facility care, Adult Medical Day Care, Home Health and Personal Care Services; expenditures, by program; enrollment data, including auto-assignment rates, by plan; and continuity of care for enrollees moving between home care and institutional care."

The quoted language is deleted in its entirety.

- 125 "The appropriations hereinabove to the Department of Human Services' Managed Care Initiative are conditioned upon the Department of Human Services working with stakeholders affected by the move to managed care for long term care on an on-going basis to develop policies and implementation plans for enrollee transition, continuity of care, assessment, appeals, competitive bidding, quality, and monitoring."

The quoted language is deleted in its entirety.

- 126 "Notwithstanding the provisions of any law or regulation to the contrary, all object accounts appropriated in the General Medical Services program classification are subject to the following condition: the Commissioner of Human Services shall implement immediately those provisions contained in the Comprehensive Medicaid Waiver approved by the United States Department of Health and Human Services for the Centers for Medicare and Medicaid Services (CMS) and any amendments to such waiver as CMS requires to be implemented pursuant to such waiver. ((Provided however, any elements of the Comprehensive Medicaid Waiver which were not part of the State's September 1, 2011 CMS Comprehensive Medicaid Waiver submission shall be subject to the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each element within 30 working days of receipt by the Joint Budget Oversight Committee or the element shall be deemed approved by the Joint Budget Oversight Committee.))"

The language within double parentheses is deleted.

- 126 "The Commissioner of Human Services shall submit a State Plan Amendment to the federal Centers for Medicare & Medicaid Services (CMS) to establish a supplemental payment program for Medicaid-covered health care services provided by physicians employed as teaching faculty by the Cooper Medical School of Rowan University, the Robert Wood Johnson Medical School, the New Jersey Medical School, and the School of Osteopathic Medicine at the University of Medicine and Dentistry of New Jersey. The State Plan Amendment shall specify that the State appropriations for the designated medical schools will be treated as the State's matching contribution to the program to qualify for matching federal funds. The State Plan Amendment shall not commit the State to any financial obligations above the State appropriations to each medical school. The Commissioner of Human Services is authorized to treat existing State appropriations for each medical school, as identified by each medical school, as the State's contribution to the program. This supplemental physician payment program will be implemented in a manner consistent with federal CMS regulations, with the expressed purpose of strengthening New Jersey's health care safety net and New Jersey's Medicaid physician provider network. The Commissioner of Human Services shall proceed only upon a determination that approval of a State Plan Amendment would be budget neutral to the State."

The quoted language is deleted in its entirety.

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66 DEPARTMENT OF LAW AND PUBLIC SAFETY

10 Public Safety and Criminal Justice
12 Law Enforcement

DIRECT STATE SERVICES

Direct State Services:

- 137 "Notwithstanding the provisions of any law or regulation to the contrary, in order to provide flexibility in administering the amounts provided for the State Police Emergency Operations Center and Hamilton TechPlex Maintenance programs, such sums as may be necessary can be transferred to support operations, subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee))."

The language within double parentheses is deleted.

80 Special Government Services
82 Protection of Citizens' Rights

DIRECT STATE SERVICES

Direct State Services:

- 144 "The amount hereinabove appropriated for the Securities Enforcement Fund account is payable from receipts from fees and penalties deposited in the Securities Enforcement Fund pursuant to section 15 of P.L.1985, c.405 (C.49:3-66.1). Notwithstanding the provisions of any law or regulation to the contrary, an amount not less than that anticipated as General Fund revenue from receipts derived from fees and penalties collected by the Securities Enforcement Fund shall be transferred to the General Fund as State revenue by April 1. The unexpended balance at the end of the preceding fiscal year is appropriated to the Securities Enforcement Fund program account to offset the cost of operating this program and for use by the Department of Law and Public Safety to support departmental efforts related to suicide and violence prevention, fire safety, anti-gang activities, background checks and investigations required by law, critical equipment or facility needs, and unanticipated public safety or citizen protection needs, subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee))."

The language within double parentheses is deleted.

74 DEPARTMENT OF STATE

30 Educational, Cultural, and Intellectual Development
36 Higher Educational Services

GRANTS-IN-AID

"81-2401 Educational Opportunity Fund Programs	\$41,974,000."
This item is reduced to \$38,974,000.	
"Total Grants-In-Aid Appropriation, Higher Educational Services	\$43,774,000."
This item is reduced to \$40,774,000.	

Grants-In-Aid:

- 151 " 81 Opportunity Program Grants (29,019,000)"
 This item is reduced to \$26,019,000.

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2440 Thomas Edison State College

GRANTS-IN-AID

	"82-2440 Institutional Support	\$66,777,000."
	This item is reduced to \$64,677,000.	
	"Subtotal General Operations	\$66,777,000."
	This item is reduced to \$64,677,000.	
	Less:	
	"Total Income Deductions	\$62,856,000."
	"Total Grants-In-Aid Appropriation, Thomas A. Edison State College	\$3,921,000."
	This item is reduced to \$1,821,000.	
	<i>Grants-In-Aid:</i>	
157	" 82 Subtotal General Operations	(\$66,777,000)."
	This item is reduced to \$64,677,000.	

70 Government Direction, Management, and Control

74 General Government Services

DIRECT STATE SERVICES

Direct State Services:

164	"From the amount appropriated hereinabove for Travel and Tourism Advertising and Promotion not less than \$1,500,000 shall be allocated for the Destination Marketing Organizations competitive matching grant program."	
	The quoted language is deleted in its entirety.	

"Department of State, Total State Appropriation	\$1,182,015,000."
This item is reduced to \$1,176,915,000.	

82 DEPARTMENT OF THE TREASURY

30 Educational, Cultural, and Intellectual Development

36 Higher Educational Services

STATE AID

	"48-2155 Aid to County Colleges	\$214,167,000."
	This item is reduced to \$214,163,000.	
	"(From General Fund	\$176,808,000)."
	This item is reduced to \$176,804,000.	
	"Total State Aid Appropriation, Higher Educational Services	\$214,167,000."
	This item is reduced to \$214,163,000.	
	"(From General Fund	\$176,808,000)."
	This item is reduced to \$176,804,000.	
	Less:	
	"Total Income Deductions	\$21,300,000."
	"Total State Appropriation, Higher Educational Services	\$192,867,000."
	This item is reduced to \$192,863,000.	
	"(From General Fund	\$155,508,000)."
	This item is reduced to \$155,504,000.	
	<i>State Aid:</i>	
178	" 48 Employer Contributions - Teacher's Pension and Annuity Fund	(\$145,000)."
	This item is reduced to \$141,000.	

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50 Economic Planning, Development, and Security

51 Economic Planning and Development

GRANTS-IN-AID

"38-2043	Economic Development	\$200,813,000."
	This item is reduced to \$200,313,000.	
	"Total Grants-In-Aid Appropriation, Economic Planning and Development	\$200,813,000."
	This item is reduced to \$200,313,000.	\$200,813,000."

Grants-In-Aid:

179	" 38 New Jersey Business Incubation Network	(\$500,000)."
	This item is deleted in its entirety.	

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

STATE AID

"35-2078	Police and Firemen's Retirement System	\$103,648,000."
	This item is reduced to \$103,371,000.	
	"(From General Fund	\$49,838,000)."
	This item is reduced to \$49,561,000.	
	"Total State Aid Appropriation, State Subsidies and Financial Aid	\$213,946,000."
	This item is reduced to \$213,669,000.	\$213,946,000."
	"(From General Fund	\$83,136,000)."
	This item is reduced to \$82,859,000.	

State Aid:

192	" 35 Police and Firemen's Retirement System (P.L.1979, c.109)	(\$19,528,000)."
	This item is reduced to \$19,251,000.	

80 Special Government Services

82 Protection of Citizens' Rights

2048 State Legal Services Office

GRANTS-IN-AID

"89-2048	Civil Legal Services for the Poor	\$19,800,000."
	This item is reduced to \$14,900,000.	
	"Total Grants-In-Aid Appropriation, State Legal Services Office	\$19,800,000."
	This item is reduced to \$14,900,000.	\$19,800,000."

Grants-In-Aid:

195	" 89 Legal Services of New Jersey - Legal Assistance In Civil Matters	(\$19,800,000)."
	This item is reduced to \$14,900,000.	

196 "Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amount hereinabove appropriated for Legal Services of New Jersey-Legal Assistance in Civil Matters, there is appropriated from the receipts deposited in the 21st Century Justice Improvement Fund an amount not to exceed \$10,100,000 for a grant to Legal Services of New Jersey - Legal Assistance in Civil Matters to provide free legal assistance to low-income New Jerseyans for their civil legal problems, subject to the approval of the Director of the Division of Budget and Accounting."

The quoted language is deleted in its entirety.

"Department of the Treasury, Total State Appropriation	\$1,802,875,000."
This item is reduced to \$1,797,194,000.	\$1,802,875,000."

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94 INTERDEPARTMENTAL ACCOUNTS

70 Government Direction, Management, and Control

74 General Government Services

DIRECT STATE SERVICES

Direct State Services:

199 "Notwithstanding the provisions of any law or regulation to the contrary, and except for leases negotiated by the Division of Property Management and Construction and subject to the approval or disapproval by the State Leasing and Space Utilization Committee pursuant to P.L.1992, c.130 (C.52:18A-191.1 et al.), and except as hereinafter provided, no lease for the rental of any office or building, except for legislative district offices ((and for Thomas A. Edison State College)), shall be executed without the prior written consent of the State Treasurer and the Director of the Division of Budget and Accounting. Legislative district office leases may be executed by personnel in the Office of Legislative Services so directed by the Executive Director, provided the lease complies with the Joint Rules Governing Legislative District Offices adopted by the presiding officers. Leases which do not comply with the Joint Rules Governing Legislative District Offices may be executed by personnel in the Office of Legislative Services, District Office Services so directed by the Executive Director with the prior written consent of the President of the Senate and the Speaker of the General Assembly. ((Leases for the rental of any office or building by Thomas A. Edison State College may be executed by personnel thereof.))"

The language within double parentheses is deleted.

9410 Employee Benefits

DIRECT STATE SERVICES

"03-9410 Employee Benefits		\$2,170,949,000."
This item is reduced to \$2,149,760,000.		
"Total Direct State Services Appropriation, Employee Benefits		\$2,170,949,000."
This item is reduced to \$2,149,760,000.		

Direct State Services:

205	" 03 Public Employees' Retirement System		(\$257,624,000)."
	This item is reduced to \$242,092,000.		
205	" 03 Police and Firemen's Retirement System		(\$60,697,000)."
	This item is reduced to \$57,215,000.		
205	" 03 Police and Firemen's Retirement System (P.L.1979, c.109)		(\$1,790,000)."
	This item is reduced to \$1,785,000.		
205	" 03 State Police Retirement System		(\$26,956,000)."
	This item is reduced to \$25,582,000.		
205	" 03 Judicial Retirement System		(\$12,388,000)."
	This item is reduced to \$11,643,000.		
205	" 03 Teachers' Pension and Annuity Fund		(\$1,692,000)."
	This item is reduced to \$1,641,000.		

GRANTS-IN-AID

"03-9410 Employee Benefits		\$879,491,000."
This item is reduced to \$878,002,000.		
"Total Grants-In-Aid Appropriation, Employee Benefits		\$879,491,000."
This item is reduced to \$878,002,000.		

Grants-In-Aid:

207	" 03 Public Employees' Retirement System		(\$23,477,000)."
	This item is reduced to \$22,032,000.		
207	" 03 Police and Firemen's Retirement System		(\$4,836,000)."
	This item is reduced to \$4,804,000.		
207	" 03 Teachers' Pension and Annuity Fund		(\$379,000)."
	This item is reduced to \$367,000.		

"Interdepartmental Accounts, Total State Appropriation.		\$3,726,598,000."
This item is reduced to \$3,703,920,000.		
Total State Appropriation, All State Funds		\$31,741,467,000."
This item is reduced to \$31,654,954,000.		

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GENERAL PROVISIONS

257 "2. All dedicated funds are hereby appropriated for their dedicated purposes. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting and with the approval of the Legislative Budget and Finance Officer, private contributions, revolving funds and dedicated funds received, receivable or estimated to be received for the use of the State or its agencies in excess of those anticipated, unless otherwise provided herein. The unexpended balances at the end of the preceding fiscal year of such funds, or any portion thereof, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. In the event a person or entity wishes to make a monetary donation to the State for a particular purpose, the head of the State agency or department to which such monetary donation is made is hereby authorized to accept such monetary donation. ((Within 10 days of the receipt of any such monetary donations, the head of the State agency or department accepting the donation shall notify the Joint Budget Oversight Committee of the donation, including the name of the donor, the amount of the donation, the intended use of the donation and any specific limits or criteria imposed by the donor on the use of the funds. The head of the State agency or department accepting the donation shall notify the Joint Budget Oversight Committee once 50% of the monetary donation is expended or committed as to the specific expenditures or commitments for the donation. The head of the State agency or department accepting the donation shall provide a final accounting to the Joint Budget Oversight Committee within 30 days of the end of the fiscal year.))"

The language within double parentheses is deleted.

267 "71. Notwithstanding the provisions of any other law or regulation to the contrary, there is appropriated as revenue to the General Fund the revenue credited in the current fiscal year to each account for each enterprise zone in the Enterprise Zone Assistance Fund attributable to local projects and the local costs for administering the Urban Enterprise Zone program, as defined by section 29 of P.L.1983, c.303 (C.52:27H-88). Further, there is appropriated as revenue to the General Fund ((the first \$1,000,000 of revenue credited in the current fiscal year, together with))the unexpended balances in the portion of the Enterprise Zone Assistance Fund designated for the State costs for administering the Urban Enterprise Zone program, as defined by section 29 of P.L.1983, c.303 (C.52:27H-88), subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is deleted.

268 "80. Notwithstanding any provision of law or regulation to the contrary, in order to implement the provisions of the Comprehensive Medicaid Waiver submitted by the State in 2011 to the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS), as well as any amendments or supplements to the Comprehensive Medicaid Waiver (collectively referred to as Waiver), including all items contained in the Waiver awaiting federal approval and those that eventually receive federal approval, amounts may be transferred to and from various items of appropriation within the General Medical Services program classification of the Division of Medical Assistance and Health Services, the Community and Addictions Services program classifications in the Division of Mental Health and Addiction Services, the Disability Services program classification in the Division of Disability Services, the Purchased Residential Care, Social Supervision and Consultation, and Adult Activities program classifications in the Division of Developmental Disabilities in the Department of Human Services, the Medical Services for the Aged program classification in the Division of Aging Services in the Department of Human Services, the Child Integrated System of Care Services program classification in the Division of Child Integrated System of Care Services in the Department of Children and Families. A portion of receipts generated or savings realized in Medical Assistance Grants-In-Aid accounts from Waiver initiatives may be transferred to the Health Services Administration and Management accounts in the Department of Human Services, as determined by the Commissioner of Human Services to be required to fund costs incurred in realizing these additional receipts or savings. All such transfers are subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee)). Notice of the Director of the Division of Budget and Accounting's approval shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer."

The language within double parentheses is deleted.

269 "86. Notwithstanding the provisions of section 20 of P.L.1985, c.222 (C.52:27D-320), section 8 of P.L.2008, c.46 (C.52:27D-329.2), section 9 of P.L.2008, c.46 (C.52:27D-329.3), or any other law or regulation to the contrary, an amount not to exceed \$200,000,000 of monies received in the "New Jersey Affordable Housing Trust Fund" consisting of payments of development fees or payments-in-lieu of constructing affordable units pursuant to section 8 of P.L.2008, c.46 (C.52:27D-329.2) or section 9 of P.L.2008, c.46 (C.52:27D-329.3) that have not been ((designated for creating or rehabilitating housing affordable to low or moderate income households, including but not limited to foreclosed homes, by formal action including a municipal resolution or ordinance, which action shall be deemed as having))committed

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((such development fees or payments-in-lieu of constructing affordable units, prior to the deadline established in subsection d. of section 8 of P.L.2008, c.46 (C.52:27D-329.2) and subsection b. of section 9 of P.L.2008, c.46 (C.52:27D-329.3)) shall be deposited in the General Fund as State revenue, subject to the approval of the Director of the Division of Budget and Accounting. Amounts appropriated in this Act for the provision of programs for affordable housing for households and individuals with low and moderate incomes shall be credited against such funds as determined by the Director of the Division of Budget and Accounting. Such programs shall include but not be limited to State programs for: rental assistance; homelessness prevention; residential services for individuals with developmental disabilities or mental illness, parolees and other individuals in the criminal justice system; shelter assistance; and emergency assistance for individuals and families facing homelessness.((Provided however, the \$200,000,000 received in the "New Jersey Affordable Housing Trust Fund" and deposited in the General Fund as State revenue shall to the maximum extent possible be used for new or expanded housing opportunities.))"

The language within double parentheses is deleted.

- 270 "88. Notwithstanding the provisions of any law or regulation to the contrary, such sums as were appropriated from the Mortgage Servicing Settlement Fund for transfer to the General Fund as State revenue are hereby appropriated, subject to the approval of the Director of the Division of Budget and Accounting, for the following purposes: attorneys fees, investigation and other expenses related to the investigation and resolution of the mortgage servicing settlement, Affordable Housing, Local Planning Services, Developmental Disabilities Residential Services, State Rental Assistance Program, Homelessness Prevention, Shelter Assistance, Community Based Senior Programs, Mental Health Residential Programs, Social Services for the Homeless, and Temporary Assistance for Needy Families((, but only to the extent that the use of these funds comports with the settlement for the use of these funds))."

The language within double parentheses is deleted.

- 270 "89. In order to permit flexibility in the handling of appropriations, to promote the timely and effective implementation of the reorganization of the Departments of Children and Families, Community Affairs, Health, and Human Services, as proposed in the Governor's FY 2013 budget recommendations, to ensure that appropriate levels of services are provided, to safeguard continuity of care, and to ensure that timely payments are made to providers, amounts may be transferred to and from the various items of appropriation within the affected program classifications of the above-referenced departments, including but not limited to items of appropriation within the following program classifications: Child Integrated System of Care Services, in the Department of Children and Families; Purchased Residential Care, Social Supervision and Consultation, Addiction Services, and Community Services in the Department of Human Services; and Administration and Support Services in all above-referenced Departments. All such transfers are subject to the approval of the Director of the Division of Budget and Accounting((and the review and approval of the Joint Budget Oversight Committee, which shall approve or disapprove each transfer within ten working days or the transfer shall be deemed approved by the Committee)). Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer."

The language within double parentheses is deleted.

- 270 "91. It shall be the duty of the commissioner or the chief executive officer of any State Department or Agency to notify the Presiding Officers of the Legislature in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1) whenever a person provides advising or consulting services on a non-casual basis or discharges the duties or responsibilities of an employee under the commissioner or chief executive officer's direction, but receives compensation directly from a private source not appropriated by this act. The notification shall identify the person by name and title, the advising or consulting services provided or duties and responsibilities assigned to such person, and the private source of funding from which the person was compensated."

The quoted language is deleted in its entirety.

Respectfully,

/s/ Chris Christie

Governor

[sea1]

Attest,

/s/ Charles B. McKenna

Chief Counsel

CHRIS CHRISTIE
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED AND FIFTEENTH LEGISLATURE
FEBRUARY 21, 2012

Lieutenant Governor, Mr. President, Madam Speaker, members of the Legislature, distinguished guests, former Governors, and citizens of the State of New Jersey:

It is my pleasure, and my duty, to present to you my budget for the year ending June 30, 2013.

Two years ago, when I entered this chamber for the first time, the fiscal condition of our state was as dire as it had been for decades. Hope was low. Pessimism seemed like a permanent state of mind. My thoughts wandered back to my inaugural – to why I wanted this job in the first place. On Inauguration Day, I said, “I asked to serve, because I believe we can do it.”

I did believe, even in those difficult days, that real leadership could turn New Jersey around. In those darker days of recession, we began our journey together toward the New Jersey Comeback with some hard choices, some very hard choices. We took those first steps together – we knew what we had to do.

We had to get our budget under control, and so we cut spending – not spending growth, but the actual dollars spent by state government – two years in a row. We were able to preserve and fund essential priorities, but it was the first time in decades that real spending had actually been cut two years in a row.

As you know, we took other steps as well – reforming pensions and health benefits and capping the growth of property taxes and the interest arbitration awards that drive them.

There was one more thing we needed to begin the turnaround of the state we love. We had to feel good about ourselves again. We had to believe in each other again. We had to dig down deep into our well of Jersey strength and restore our confidence. To do this for our state and for each other, there were two indispensable elements – leadership and truth.

Both require courage. Both must come from what we feel from within. Both could lead us to better days. For those of you in this chamber, and you know who you are, who gave both to our state and its citizens – I say thank you. To the millions of New Jerseyans who gave both to our state – I am in your debt. To those who have yet to give, there is good news. It is not too late – because the New Jersey Comeback has just begun. Resolve today to join us in the tough choices which leadership and truth inexorably lead us to and join us now. End the nay saying – join us to accelerate the New Jersey Comeback this year.

I said at the time that these tough choices would pave the way for better ones in the future. You see, because our previous tough choices have indeed made a difference. Those budgets for Fiscal Year ‘10 and Fiscal Year ‘11 were balanced – without raising taxes. Since I took office, we as a state have added nearly 60,000 private-sector jobs. And 2011 was the best year of job growth since the year 2000 and places New Jersey in the top third among the states. In these last two years, we have begun to move our unemployment rate in the right direction – down, from 10.1% when I was sworn in to 9% today.

Today, it is time to continue making those better choices. Today, we will both maintain our fiscal discipline, and drive New Jersey into a new era of growth. Today, it is time to put the New Jersey Comeback into high gear.

I am presenting to you my budget for the Fiscal Year 2013. The budget I propose would total \$32.1 billion for the coming fiscal year. While this represents minimal growth from last year, it is still below the level of state spending when I took office. This is in sharp contrast to the increase in state spending of 56% that occurred in the seven years between 2001 and 2008.

This budget funds key priorities in order to accelerate job growth and to meet our most urgent needs. Most importantly, it does not raise taxes, and it is truly balanced. Because we have made the tough choices in these last two years, we can make the right ones now.

In this budget: I propose that we provide tax relief to every New Jersey citizen – through the first year of an across-the-board 10% cut in their income taxes; and increasing the Earned Income Tax Credit for the working poor. The people of New Jersey have suffered for too long under the burden of high taxes; it is time for real relief.

I propose that we increase school aid, for the second year in a row, by over \$200 million, to \$8.8 billion – a record amount of state aid to education. There is no priority more important than educating our children, so let's reform our schools and give them the tools to be great.

I propose that we more than double the state's contribution to our pension system. Last year, we enacted landmark reform that showed the nation that we can come together on a bipartisan basis to manage our long-term liabilities. In my budget, the state will make good on its obligation to fund our pension system.

I propose that we continue to reform and repair the programs of state government to better engage and serve New Jersey's most vulnerable citizens.

Let me cover these areas one at a time.

First, any job growth plan for New Jersey has to start with cutting taxes. As everyone in this room knows, or should know, New Jersey raised state taxes and fees 115 times in the eight years before I became Governor. Government abused the taxpayers of New Jersey because government refused to control its own appetite for spending.

We are in a competition for jobs with other states. Some other states, like New York and Connecticut, are raising income taxes that will drive businesses out. New Jersey should choose responsible tax cuts to give overburdened citizens relief and help businesses grow jobs.

Our tax rates, and our overall tax burden, were also the worst in the region. And the effects were being felt: a study by scholars at Boston College found that \$70 billion of wealth had left the state in the prior five years. That exodus hurt jobs, economic growth and yes, even state tax revenues.

Our standing in the last two years has improved somewhat – but not enough. We have stopped spending growth in its tracks. We have eliminated the special surtax that for a time gave New Jersey the highest

marginal tax rate in the nation – and I am proud to have twice vetoed the effort to re-introduce it. And just so there is no mistake in my intention: I will veto any tax increase again.

The property tax cap that you passed and I signed into law has worked. A recent study showed that in 2011 New Jersey had the lowest property tax growth in 20 years. Communities have had the right to override the cap, but the overwhelming majority has chosen not to.

The people have spoken, and they want lower taxes.

So in this budget, I have included the proposal I outlined for you a few weeks ago in the State of the State address. I propose to reduce personal income tax rates, across-the-board, for every New Jerseyan, by 10%, and I propose to begin the three-year phase-in of the cut with this budget.

A 10% tax cut for every working New Jerseyan will help families to keep more of what they earn. It will make us more competitive with other states and attract more new jobs to New Jersey. Every New Jerseyan deserves a tax cut.

Lower tax rates will relieve over-burdened middle class families. They will keep job creators here. They will begin to bring us into a more competitive situation with our neighbors in the region. For make no mistake, even with the 10% cut that I propose, our tax rates in many brackets will still be higher than New York's, higher than Connecticut's, higher than Pennsylvania's. Even though a few of these states are making the mistake of trying to catch up by raising tax rates, we need to reverse our competitive disadvantage. In the mid-Atlantic region, New Jersey needs to be the best home for growth.

Some hard working, low-income New Jerseyans pay no income tax at all. In this budget I am proposing relief for them too. In 2010, our disastrous budget situation forced us to trim the Earned Income Tax Credit. With this budget, I propose to increase it, from 20% to 25% over the next two years. With my proposed increase, New Jersey will have one of the most generous state tax programs for the working poor in the nation, with an average annual benefit of 550 dollars.

So this package provides relief for every New Jerseyan, up and down the income scale. It recognizes that New Jersey's tax situation had gotten out of control and begins to bring it back under our control. It recognizes that every New Jerseyan has shared in the sacrifice that was necessary to begin the New Jersey Comeback and that every New Jerseyan should share in the benefit we're beginning to feel.

Some in this chamber may want to return to the days of outrageous state spending growth. To gimmicky programs that take more money out of the taxpayer's right pocket and have Trenton keep most of it. Then returns far less in your left pocket and then takes a bow and calls it tax relief.

New Jersey has seen 30 years of this as Trenton's solution to fix property taxes. It never has fixed the problem, and it never will fix the problem. New Jerseyans will not fall for the same old Trenton politicians' trick again.

We know that the only way to ensure that Trenton politicians will not waste your money is to not send it to them in the first place. Adopt my 10% tax cut plan this year – put our citizens' pocketbooks ahead of the never ending hunger of Trenton politicians for more of our money now.

Personal income taxes, of course, are not the only excessive burden that has been foisted upon our citizens by government in the past few decades. Property taxes have been just as bad. They grew by 70% in the decade before I was elected, in some cases driving people out of their homes and out of the state.

The property tax cap we enacted is beginning to work. We are finally starting to win the battle. We are bringing property taxes under control.

To help those senior citizens and middle income families hardest hit by property taxes, the state has long had a property tax rebate program. Last year, we were able to double that property tax relief over the prior fiscal year. Senior and disabled homeowners with incomes up to \$150,000 received double the benefits of Fiscal Year 2011 – and they received it directly as a credit on their property tax bill. No more gimmicky checks from Trenton politicians at election time using borrowed money to try to buy your vote. Non-senior homeowners with incomes up to \$75,000 also saw their property tax relief double over the prior year.

In this budget, in addition to maintaining the benefits of the 2% cap, we are maintaining direct property tax relief at last year's increased levels. There will be no cut in property tax relief in this budget.

Our business tax system is also a key to job growth. It too had gotten out of control. For example, we are one of only three states with both an inheritance tax and an estate tax – and our combined rates are among the highest in the nation. On the old path, people not only couldn't afford to live in New Jersey, they couldn't afford to die in New Jersey either.

Last year, I put before this body eight pro-growth tax reforms that would make New Jersey more attractive for family-owned businesses, for small businesses and for job creation. I thank you for passing six of those eight reforms in the past year – joining me in an investment of almost \$200 million in pro-growth tax relief. We've seen our best job growth year since 2000 after these tax cuts were implemented.

This year's budget continues the phase-in of the tax cutting, job growth initiatives we enacted into law.

In its second year, we make a commitment of \$350 million – half way to a total of \$700 million that these measures will provide when fully phased-in – of pro-growth small business tax relief. Small business has been the number one source of new jobs in New Jersey and in America. And these cuts will make us more attractive for small business job growth.

Let's put New Jersey in an even better position to compete with other states for the jobs our people need.

Competing successfully will of course require more than tax cuts. We must also make investments that will make New Jersey even more productive in the future.

Last year, I offered a Transportation Capital Plan with combined resources of \$1.6 billion per year. This program is a job-creator. New Jersey needs to ensure that its physical infrastructure is world-class, its role as a transportation hub unmatched. So in this budget, consistent with my plan, I request \$89 million to fund the Transportation Capital Plan. This investment will put even more of our hard working building trades men and women back to work.

When I ran for governor, I made a promise that if we had the courage to make the tough choices to cut wasteful spending we would be in a position to focus our resources on the issues that really matter.

Now that we have our spending under control we can begin to prioritize. One such priority is New Jersey's colleges and universities. And today, because the people of New Jersey stood strong and had faith over the last two years, I am proud to say this budget proposes a nearly 6% increase in direct aid to our senior public colleges and universities. We are able to help make college more available and affordable for New Jersey families. But we need to do more.

To make sure this commitment to higher education is spread to every corner of the state, I ask you today for \$1 million to help create a new Governor's Urban Scholarship Program – to help provide students in New Jersey's inner cities the opportunity they need to succeed.

More broadly, this budget also proposes an increase of over \$28 million above last year for student financial assistance, the bulk of which is a 10% increase in funding for tuition aid grants.

As we continue to support higher education, let us implement the excellent recommendations of the University of Medicine and Dentistry of New Jersey Advisory Committee. The committee has given us a blueprint for long-overdue reform. We can usher in a new era for medical education, throughout the state. And we can make sure that New Jersey secures its rightful place as the national leader in medical education and biomedical research. Let's implement that plan.

In our society, education is the key to advancement. More attainment in education is the path to more earnings and success in life. And a highly educated workforce is a key to New Jersey's competitiveness. So we must continue to fund higher education and to make it more available to everyone with the brains and ambition to climb that ladder to success.

It is well-known to you that I believe we have work to do to improve our K-12 education system in particular. We have great outcomes in some districts. But we have terrible performance in others. That is not right, it is not fair, and it is not moral.

So I ask you again to pass this year the education reforms I put before you in my State of the State address. We need to reform tenure. We need to pay the best teachers more. We need to expand charter schools in our failing school districts. And we need to give choice and hope to those students and parents now trapped in failing school districts by passing the Opportunity Scholarship Act.

It's not enough and it's not appropriate to simply tell our most challenged urban families, trapped in over 200 failing schools, that "life's not fair." That is the expressed attitude of some in the educational establishment in our state. It is not mine. It can no longer be the attitude of this legislature. Our job is to make the future better for every child in a failing school. We cannot simply accept failure or even mediocrity. We must demand excellence. The opportunity to get a great education should not be a function of the zip code you live in – it should be a hallmark of growing up in New Jersey.

And while money alone is not the answer, this budget provides strong support for K-12 education in the form of increased school aid. Last year, my budget provided an increase for every school district in New Jersey. In

the budget I am putting before you today, I propose to increase school aid above last year's level by \$213 million.

With this proposed increase, we will have increased aid to New Jersey schools by over \$1 billion in the two years since I took office. And this increase would bring the level of school aid in the Fiscal Year 2013 budget to \$8.8 billion, an all-time record level of investment by our state in our school children. In fact, we propose spending one of every three dollars in this budget on education. We are putting our money where our mouth is.

In the past year, you joined with me to undertake a key reform of our system of pensions and health benefits for state and local employees. Once again, I thank you for your courage in enacting these reforms. We have shown the nation that it is possible to come together, on a bi-partisan basis, to address difficult long-term problems. The reforms you passed will reduce the projected deficit of the pension system by over \$120 billion in 30 years, putting it on a much more stable and sustainable footing for years to come.

Part of our agreement on that landmark pension reform was to commit to a phased-in increase of the state's contribution. The budget I propose makes good on that commitment and will fully fund the second year of that phase-in agreement.

This budget contains \$1.1 billion for the state's pension contribution. This is an increase of \$587 million over last year's contribution. This amount represents 3.42% of our entire state budget this year. In terms of absolute dollars, it is the single largest state contribution ever.

The pension reform we enacted has made employee pensions safer and more reliable. It has put us on a sound long-term track. My proposal of \$1.1 billion for pensioners in this state reinforces my commitment to the security and financial future of all public workers. Stand with me on this commitment. Let us live up to our word. I implore you – fund this pension contribution this year.

So much of our debate in this chamber in these past two years has revolved around the urgent need to cut spending. And our top priority has been to create the conditions for economic growth and job creation in New Jersey.

But as we do these things, we have to ensure that this growth benefits all of our citizens, including those with mental illness, with disabilities and with the most challenging economic and social circumstances.

In the New Jersey Comeback, we need all hands on deck. We need to tap the talents of every New Jerseyan.

On election night 2009, I promised New Jersey that we would turn Trenton upside down. Part of that promise was to remake government – not only to spend less, but also to deliver services to our neediest in a more effective way. This budget keeps faith with that promise.

This budget includes a series of new approaches and new initiatives to create better opportunities for the most vulnerable New Jersey citizens.

In the area of mental illness, my administration has been committed to making sure that those afflicted have access to appropriate placements and services. I believe we should place the emphasis on providing care in the

community and not in an institution. This is not only the most cost effective approach to care, but independent research shows it is the one that will result in the best outcomes.

The coming closure of the Hagedorn Psychiatric Hospital this June marks a new day in delivering services for those with mental illness. One that focuses on providing community-based care and housing. My budget will reinvest the savings from the closure by providing an additional \$5.6 million to the division of mental health and addiction services.

\$10 million in new funding will go to the Department of Human Services. New Jersey has the second highest rate of institutionalization in America. Only Texas puts more of its citizens in institutions than New Jersey. This is a shameful fact. We must change. It is long overdue. We must move aggressively to provide this type of care in the community.

\$24.7 million in new funding is also provided for individuals with developmental disabilities to expand community placements. This will get more people off our existing waiting lists, support those who turn 21 and age out, and pay for the over 600 placements that occurred in the current fiscal year.

But it is not just money that will enable us to serve the people of New Jersey well – especially those most in need of services. We can improve the organization of state government, its transparency and understandability to families who need it. We need to make the provision of services simpler, more accountable, and more comprehensive.

So with this budget, I am proposing to create a new division focused on children within the Department of Children and Families. This division will be the point of entry for all families with children with developmental disabilities – allowing them to benefit from a battery of services without having to be shuttled from agency to agency.

The concept is to treat the whole child and the whole family – in one place. The division will develop an integrated set of services – and for these families, make government work smarter and better. It will also provide a transition process through adolescence to adult services.

So I ask for your support of this simple and streamlined approach to the provision of services. How we care for individuals with developmental disabilities is a fundamental issue. Let's serve this population better.

For our seniors, I propose a similar approach. With this budget, I am proposing the creation of a Division of Aging Services. This division, to be housed in the Department of Human Services, will also be the single point of access for all of our services to seniors. It will enable us to coordinate all senior services – nursing home care, community care, pharmaceutical assistance for the aged and disabled, senior gold, utility lifeline. In one place. With a coordinated, holistic approach.

For those seniors on Medicaid, here too we are going to place the emphasis on care in the community instead of institutions. This is not only more cost-effective, it will provide more dignity and happiness to our senior citizens – who in most cases would, of course, prefer to live in their own homes and in their own communities.

For our treasured veterans, we need to continue to develop innovative ways to serve the neediest of these citizens in New Jersey. In this budget, one innovation has led to an opportunity for our veterans. Our

successful veterans' haven program provides a great place for homeless veterans. After being evaluated at a VA hospital, veterans can join a long-term program focused on social and vocational rehabilitation. The program works.

The startup funding I propose will be used to launch a new effort to use the former Hagedorn Psychiatric Hospital to give access to veterans in the northern part of the state to this highly effective program. Hagedorn Psychiatric Hospital will now be the location for Veterans Haven North.

For all New Jersey families with health care needs, the budget provides significant support for hospitals in New Jersey – a total of \$986 million. We must recognize that our hospitals, like those all across America, face the challenge of providing care to both the insured and the uninsured.

One final initiative I would like to call to your attention: in my State of the State, I proposed to you that for drug offenders who have not committed a violent crime, we require of them mandatory treatment instead of mandatory prison. I was clear that under this Administration “no life is disposable.” Next week, keeping with that promise, I will announce the specifics of my drug treatment program for non-violent offenders.

To underscore my commitment to this cause, I have included an additional \$2.5 million in this budget to establish a mandatory drug court for nonviolent offenders in all 21 New Jersey counties. This will begin to give us the resources to place these individuals in treatment through the Division of Mental Health and Addiction Services – to make this program a reality. It is the first step toward reclaiming these lives and treating drug addiction for what it really is – a disease that can be conquered, but only with effective treatment.

Let me make one last note. All of the reorganizations I have discussed, all of the enhanced programs for our most vulnerable – all of that will be accomplished in an executive branch budget that increases only 1.7% over last year. We are making government smarter and more efficient for our people while at the same time not raising their taxes to pay for it.

We also have avoided overly optimistic assumptions about revenue. These will only get us in trouble in the future. And we have held the line on spending. We remain below Fiscal Year 2008 levels. Understand what I just said, we are spending less in this budget than we did in 2008. We are maintaining fiscal discipline by cutting wasteful spending which allows us to fund our priorities.

We can fund key priorities, care for our most vulnerable, educate our youth, reduce taxes to encourage job growth and give all of our citizens much needed tax relief.

Today, I ask this chamber a simple question. Why not cut income taxes for all New Jerseyans when our fiscal house is now in order?

- Why not cut income taxes when we are increasing K-12 education spending for the second year in a row, providing the largest state appropriation for education in New Jersey history at \$8.8 billion;
- Why not cut income taxes when we are increasing funding for higher education by over \$100 million;
- Why not cut income taxes when we are providing more than \$390 million in funding for student aid – the highest funding level in state history;

- Why not cut income taxes when we are making the largest pension contribution in history at \$1.1 billion;
- Why not cut income taxes when we are providing for our most vulnerable.

We have done the hard work to get to where we are today—to fund what matters while at the same time finally providing long overdue tax relief.

So, to the naysayers, I say this: we have been down the road of high taxation. It didn't work. The result was high unemployment, high taxes and low growth. The result was families leaving New Jersey. The old way was a dead end for New Jersey. High taxes and excessive spending left us stranded in a world of declining growth, declining prospects and a diminished ability to compete as a state.

We have left the dark times of lost jobs worsened by overtaxing, overspending, and over-borrowing. Please be clear on this point – we will not return to the path of higher taxes under any circumstances. Not on my watch. To do so would risk stopping the New Jersey Comeback in its tracks.

In these last two years, we have consciously chosen to turn our state around. We have chosen a better direction. We have chosen job growth. We have chosen fiscal discipline. We have chosen to compete.

And without the state and federal government making it more difficult, make no mistake; the people of New Jersey can compete with anyone.

The New Jersey Comeback has begun. Let us continue the course.

Let us continue to be the example for the nation in getting our fiscal house in order, in addressing long-term pension problems, in fixing our schools and in becoming a haven and home for job growth.

We have it within our power to make New Jersey, once again, the economic engine of our region. To be a national leader in fiscal discipline. To be the trendsetter for an America that wants to honestly confront our challenges. To be in the vanguard of bipartisan government that puts our people ahead of partisanship. To take our New Jersey strength and use it to put our people back to work. Most importantly, to fight the fights worth fighting. For our children's education. For the needs of our most vulnerable. For fiscal sanity that restores New Jersey's economic future. For a state that wakes up every day to the sun rising over a place we are proud, very proud, to call home.

That is my fight as your governor. Let's make it our fight—together. And let's start again today.

Thank you, God bless you, God bless America and God bless the great state of New Jersey.

**NEW JERSEY STATE LEGISLATURE
BUDGET AND APPROPRIATIONS COMMITTEES
SESSION OF 2012**

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