

Fiscal Year 2020

Citizens' Guide to the Budget



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PHILIP D. MURPHY
Governor

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Lt. Governor

Elizabeth Maher Muoio
State Treasurer

Message from Elizabeth Maher Muoio, Treasurer of the State of New Jersey

Putting together a balanced State budget is a year-round endeavor that includes extensive documents detailing the process from proposal to finished product.

The Citizens' Guide to the Budget is unique in this process because it provides the most user-friendly window into New Jersey's multi-billion dollar budget for Fiscal Year 2020, shining a spotlight on your tax dollars hard at work in a clear, concise manner.

Within this guide you will find details on the final spending plan approved by the Legislature and signed into law by Governor Murphy. This year marks the second State budget under the Murphy Administration, but the guiding principle remains the same – maximizing State resources to build a stronger and fairer New Jersey for every resident. This document illustrates how your tax dollars are administered to effectuate that goal, highlighting many of the State's signature investments.

Our employees at the Office of Management and Budget have meticulously organized this data in a manner that clearly articulates the State's budget changes, fiscal condition, revenue levels, and performance targets. I want to not only thank the hard-working employees who made this guide possible, but also the concerned citizens who take the time to read it.

We sincerely hope that this guide provides you with a greater understanding of our State government and how public resources are allocated.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Muoio".

Elizabeth Maher Muoio

Fiscal Year 2020 Citizens' Guide to the Budget

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The Fiscal Year 2020 Citizens' Guide to the Budget: A Summary of the Appropriations Act

The Citizens' Guide to the Budget is designed to provide a transparent view of the Fiscal Year 2020 budget, allowing the people of New Jersey to understand how public resources are allocated. It continues Governor Murphy's commitment to public accountability by providing a more easily understandable description of the details of the Fiscal Year 2020 Appropriations Act, which implements the budget and directs State spending.

Fiscal Year 2020 marks the second State budget presented by Governor Murphy. The spending plan reflects the Governor's commitment to building a stronger and fairer New Jersey through the responsible management of State resources while making the difficult choices to prioritize and fund the essential services on which New Jersey's residents rely.

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 doing so, key performance indicators are continuously monitored.

Significant milestones in developing and implementing the budget include:

- In March 2019, Governor Murphy unveiled his proposed budget along with the [Budget in Brief](#), a document outlining the State's fiscal condition and summarizing the Governor's policy initiatives and budget proposals.
- From mid-March to mid-May 2019, the legislative budget committees held extensive hearings on the Governor's budget proposal.
- The Legislature crafted legislation modifying the Governor's budget and introduced it on June 17, 2019. Senate Bill 2020, [the Appropriations Act](#), was passed by the Legislature on June 20, 2019 and sent to the Governor's desk.
- On June 30, 2019, the Governor used his line-item veto authority and signed the Appropriations Act with an accompanying veto message, as well as supplemental appropriations bills.
- The [Appropriations Handbook](#) was released shortly afterward, providing 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. The Citizens' Guide includes charts and graphs that help explain the State's fiscal condition, along with specific budgetary information about the Fiscal Year 2020 budget.

All of the above documents are available electronically at: <http://www.state.nj.us/treasury/omb>.

Chapter 1: Budget Highlights



CHAPTER 1: BUDGET HIGHLIGHTS

The Fiscal Year 2020 Budget:

Under Governor Murphy’s second budget, New Jersey will operate under a responsible, balanced spending plan, funding key priorities while building up its available fiscal resources for unforeseen circumstances. The Fiscal Year 2020 budget is a balanced \$38.7 billion plan that maintains a total of \$1.268 billion in surplus funds, including the first deposit into the State’s Surplus Revenue Fund, more commonly referred to as the “Rainy Day Fund,” in more than a decade. The budget also includes \$3.8 billion in combined contributions to New Jersey’s pension funds from the State budget and net Lottery proceeds, the largest contribution in state history for the second year in a row.

The Fiscal Year 2020 budget directs resources to further the goal of building a stronger and fairer New Jersey. It also acknowledges the critical investments that must be made in the State’s infrastructure and talent in order to make New Jersey a compelling place to live and work. This is done by protecting critical services and investments such as funding for schools, transportation, colleges and universities, veterans, seniors, individuals with disabilities, and other safety net programs that impact the quality of life throughout the Garden State.

Budget Highlights:

DELIVERING TAX RELIEF

- Delivers \$1.1 billion in direct property tax relief to New Jersey homeowners, seniors, veterans, and disabled residents.
- Distributes \$18.3 billion in direct and indirect property tax relief, including \$831.6 million from net lottery proceeds.
- Provides an additional \$30.2 million for year two of a three-year plan to increase the Earned Income Tax Credit (EITC) from 35% to 40%. The increase to 39% for tax year 2019 will provide a projected 529,000 taxpayers with an overall estimated savings of roughly \$25 million in Fiscal Year 2020.
- Increases relief under the Senior Freeze property tax relief program for seniors and disabled citizens for the first time in many years by eliminating the income cap provision. The program now allows participation up to the statutory income level of \$89,013. A total of \$219.7 million in relief is expected to benefit 176,000 beneficiaries.
- Provides nearly \$283 million in direct property tax relief through the Homestead Benefit program, with an average benefit of \$538 for seniors and disabled homeowners with incomes up to \$150,000; and an average benefit of \$400 for all other homeowners with incomes up to \$75,000.
- Provides an additional \$29.5 million to double the Veteran’s Income Tax Exemption, boosting the exemption to \$6,000 for honorably discharged veterans and their surviving partners.

INVESTING IN THE FUTURE

- Increases General Fund assistance for NJ TRANSIT by \$150 million over last year, for a historic State commitment of \$457.5 million to help address years of chronic underfunding.
- Returns \$70 million to New Jersey’s Clean Energy Fund to help the State meet its ambitious clean energy goals, including the establishment of a program to support zero-emissions vehicles and infrastructure.

SUPPORTING EDUCATION

- Continues the Governor’s commitment to fully funding New Jersey’s public schools by increasing formula aid by over half a billion dollars since 2018 for a total of \$8.7 billion.
- Increases funding by more than \$60 million to maintain and expand pre-K education.
- Includes \$2 million to continue the “Computer Science for All” initiative and \$650,000 for STEM and other early college high school programs.
- Continues to invest in higher education with total support, including net lottery proceeds, of nearly \$2.5 billion.
- Increases funding for the Community College Opportunity Grant program to \$30 million, providing more students with the opportunity to obtain an Associate Degree tuition-free.
- Increases combined funding by more than \$7 million for Tuition Aid Grants and the Educational Opportunity Fund, which is in its 50th year of supporting students from disadvantaged backgrounds.

PROTECTING PUBLIC HEALTH

- Provides \$22.5 million in new investments for individuals with developmental disabilities and expands critical mental health services.
- Increases funding for women’s health and family planning services by over 40 percent for a total of \$10.5 million.
- Commits \$100 million, once again, to continue combatting the opioid epidemic through carefully designed programs and data-driven analysis that directs resources where they are most needed.
- Provides an additional \$7 million in Charity Care funding for a total of \$269 million to help New Jersey hospitals provide uncompensated care to uninsured residents.

CREATING A STRONGER & FAIRER NEW JERSEY

- Includes \$88 million to provide a more livable minimum wage for those who work with the elderly, people with intellectual and developmental disabilities, and those who work at subsidized child care facilities.
- Includes \$9 million to ensure a robust Census 2020 effort in New Jersey to help maximize federal resources for the State.
- Fully eliminates the long-time practice of diverting money from the Affordable Housing Trust Fund, thereby boosting funding by \$59 million to address New Jersey’s housing crisis.
- Maintains and strengthens support for re-entry services so that more New Jerseyans are given a second chance and can better reintegrate into our society
- Continues the Governor’s innovative workforce development initiatives, including the New Jersey Apprenticeship Network and Career Accelerator Internship Program to ensure that all New Jerseyans have access to meaningful work.

Where Does the Money Go?

The Programs and Services Behind the Fiscal Year 2020 Numbers

People Served/Items Purchased **Helping Those in Need**



116,000,000	Subsidized School Lunches
10,000,000	Hunger Initiative - Food Purchased (lbs.)
2,233,591	Subsidized Drugs for Seniors and Disabled - PAAD/PAA Annual Prescriptions
1,506,728	Persons Receiving Health Care through NJ FamilyCare (Excludes CHIP)
334,151	Individuals Receiving Mental Health Services (Community Programs)
280,369	Energy Assistance - Tenants and Homeowners Served
261,294	Subsidized Drugs for Seniors and Disabled - Senior Gold Annual Prescriptions
220,004	Children Receiving Health Care through the Children's Health Insurance Program (CHIP)
182,324	Children Receiving Services from Division of Child Protection and Permanency (DCP&P)
113,700	Veterans Receiving Services
99,126	Clients Receiving Addiction Services
32,721	Temporary Assistance to Needy Families - Recipients
27,534	Adults with Developmental Disabilities Served (Community Programs)
20,344	Adoption Subsidies /Foster Care - Average Daily Populations
4,300	State Rental Assistance - Families Served
2,673	Clients Served by Women's Domestic Violence Hotline

Protecting the Public's Safety



904,500	State Police Investigations (Criminal, Accident and General)
231,087	Fire, Housing and Construction Code Inspections
90,000	State Police - Instances of Aid to Motorists
17,526	Inmates Supervised (Annual Average - Excludes Community Programs)
15,655	Parolees Supervised
1,500	Forest Fire Responses
1,180	State-owned Bridge Safety Inspections
650	Criminal Indictments Obtained - Criminal Justice

Preserving the Environment



18,000,000	Parks Visitors Served
9,100	Acres of Open Space Preserved: <ul style="list-style-type: none"> • 5,100 Via Farmland Acres • 4,000 Via Green Acres
6,400	Air and Water Pollution Inspections

People Served/Items Purchased **Protecting the Public's Health**



255,150	Women, Infants, and Children Nutrition Program - Recipients
245,000	Children Screened for Lead Poisoning
130,573	Women in Reproductive Years Receiving Family Planning Services
95,260	Number of Licensed Long Term Care Beds /Slots
79,000	HIV/AIDS Clients Tested and Counseled
71,000	Homes Tested for Radon
19,500	Breast Cancer and Cervical Cancer Screenings
2,840	Helicopter Response Missions for Traumatic Injuries
2,444	Long Term and Acute Care Facilities Licensed

Transportation Services



455,964	Average Daily Mass Transit Ridership
13,359	Miles of Roads Maintained
8,000	Emergency and After-Hour Call Responses
3,020	Traffic Signals Maintained
1,100	Highway Lanes Under Construction
870	Lane Miles Resurfaced

Serving Businesses



606,446	State Professional Boards - Total Regulated Licenses
123,289	Business Formations Initiated
35,000	New Insurance Licenses Issued
84,000	Real Estate Brokers and Salespersons Licensed
6,000	Banking Licenses Issued

Educating Our Children



1,401,387	Total Enrollment (Public School System)
1,369,064	Standardized Tests Administered
763,463	Pupils Transported - Public/Nonpublic
210,000	Special Education Enrollment
139,918	Kindergarten/Preschool Enrollment
52,012	Charter School Enrollment
30,493	County Vocational Education Enrollment

People Served/Items Purchased **Higher Education Student Assistance**



108,861	New Jersey College Loans to State Students (NJCLASS)
76,992	Tuition Aid Grants (TAG, Full and Part-Time)
2,360	NJ Student Tuition Assistance Reward Scholarship (NJSTARS I & II) Grants



Direct Property Tax Relief

579,900	Homestead Benefit Program - Recipients
167,900	Veterans Claiming a Property Tax Deduction
176,000	Senior and Disabled Property Tax Freeze - Recipients
32,500	Seniors and Disabled Residents Claiming a Property Tax Deduction



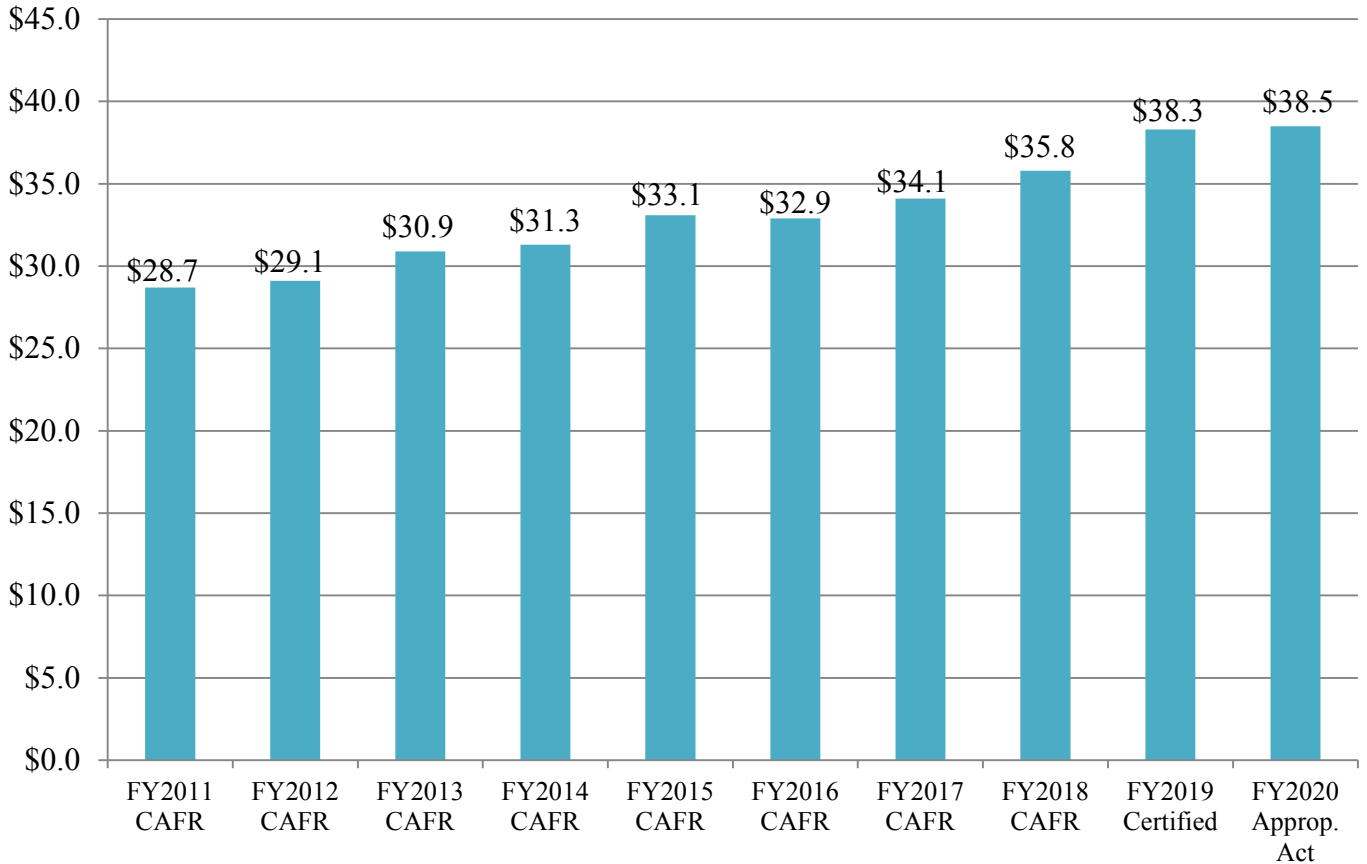
Protecting our Residents

35,251	Mental Health Advocacy - Representation of Individuals at Civil Commitment Hearings - New Cases
7,325	Nursing Home/Boarding Home/Other Facility Oversight Visits
7,300	On-Site Investigations Regarding Elderly Care/Abuse/Neglect or Patient Funds
1,511	Rate Counsel - Representation of Ratepayers on Cases Involving Utilities and Cable Television

Chapter 2: Charts and Graphs

History of Total Revenues

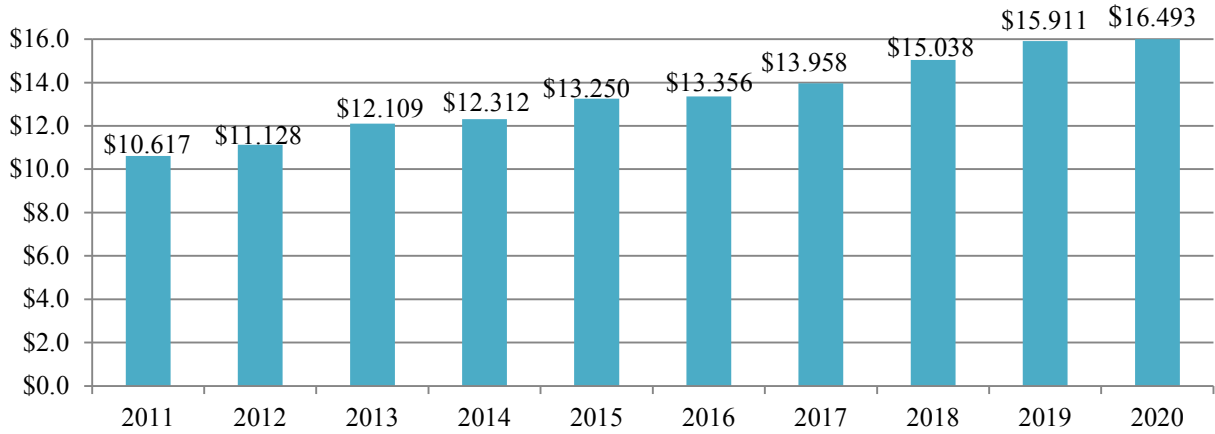
(In Billions)



CAFR – Comprehensive Annual Financial Report

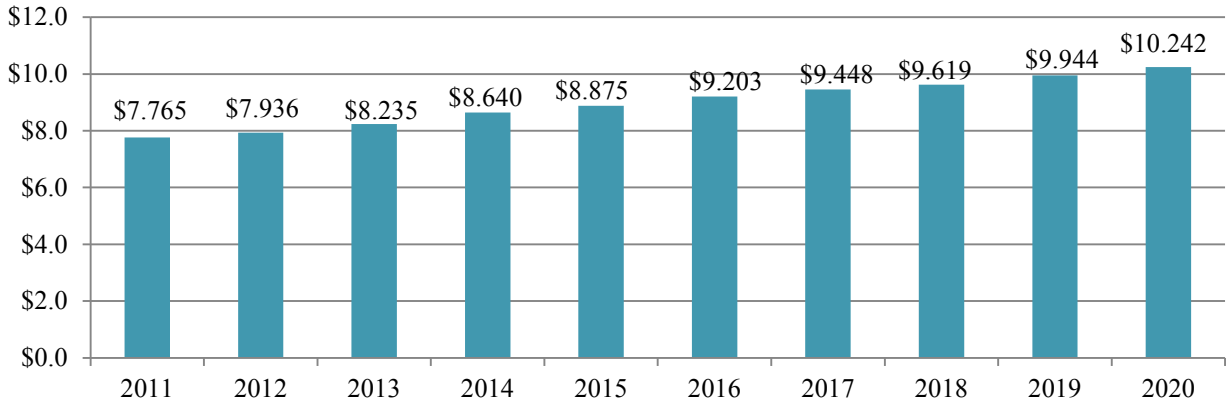
Income Tax

(In Billions)



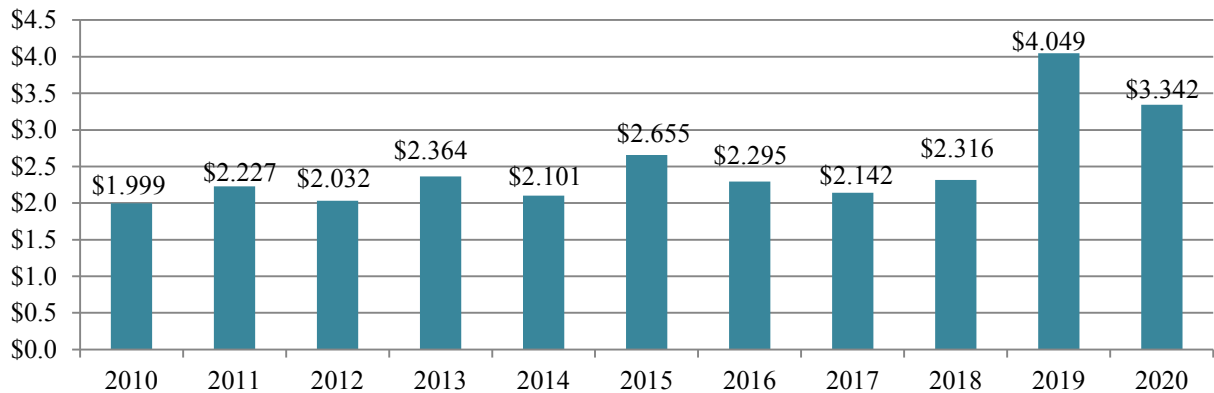
Sales Tax

(In Billions)



Corporation Business Tax

(In Billions)



FY2011 – FY2018 revenues are as of CAFR, FY2019 is Certified, and FY2020 is as of the Approp. Act. Sales Tax and Corporation Business Tax exclude the tax on energy.

FY2020 Appropriations Act

(In Millions)

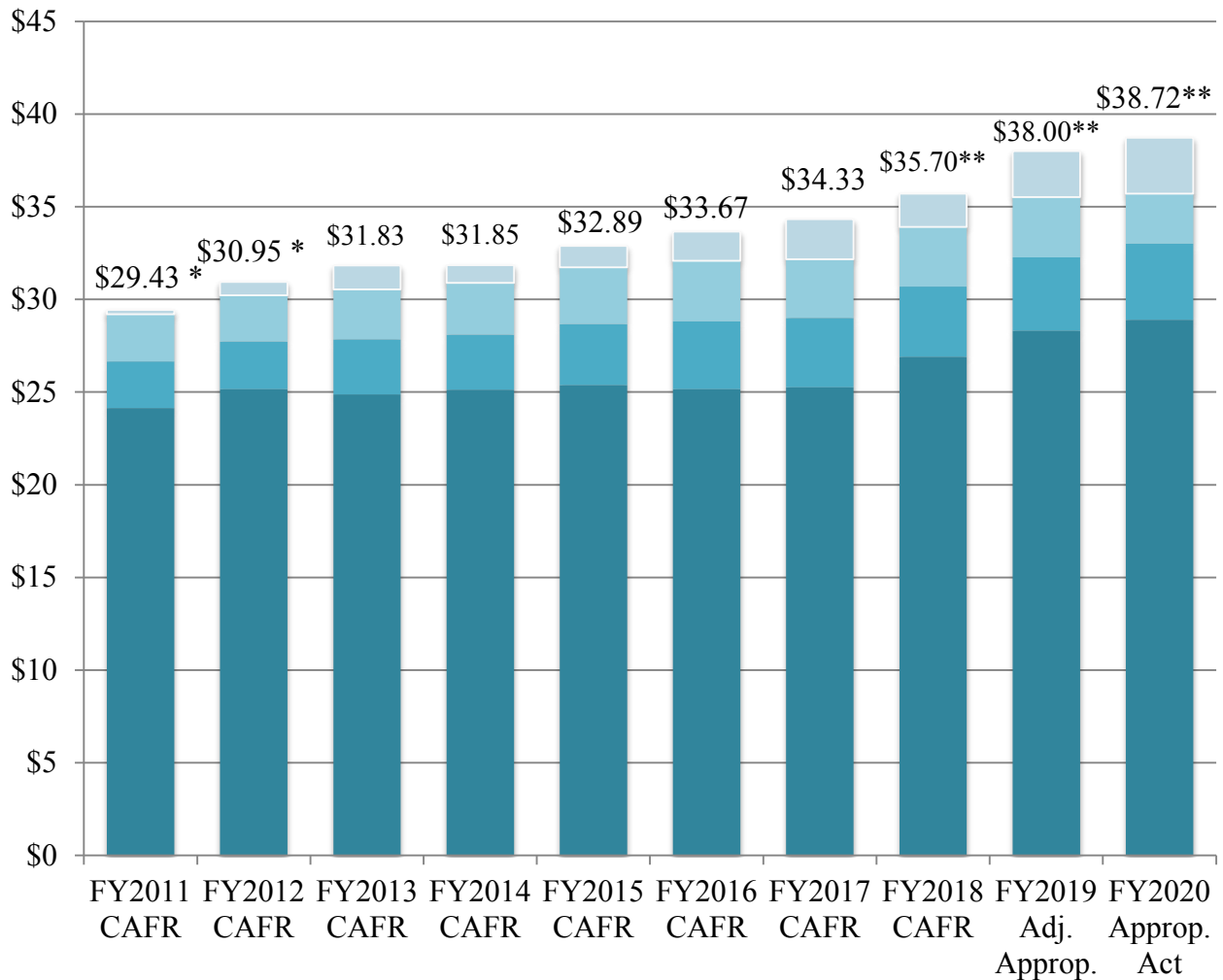
	FY2019	FY2020		
	Certified	Budget	May Testimony	Approp. Act
Opening Budgetary Surplus	\$ 990	\$ 1,098	\$ 1,139	\$ 1,239
Open Space Reserve*	44	101	105	110
Revenues				
Income	\$ 15,911	\$ 16,639	\$ 17,059	\$ 16,493
Sales	9,944	10,456	10,252	10,242
Corporate	4,049	3,217	3,142	3,342
Other	8,380	8,520	8,619	8,440
Total Revenues	\$ 38,284	\$ 38,832	\$ 39,072	\$ 38,517
Lapses	436	-	-	-
Total Resources	\$ 39,754	\$ 40,031	\$ 40,316	\$ 39,866
Appropriations				
Original	\$ 37,326	\$ 38,606	\$ 38,900	\$ 38,720
Supplemental	678	-	-	-
Total Appropriations	\$ 38,004	\$ 38,606	\$ 38,900	\$ 38,720
Open Space Reserve*	(110)	(265)	(267)	(279)
Surplus Revenue Fund **	(401)	-	-	-
Budgetary Fund Balance	\$ 1,239	\$ 1,160	\$ 1,149	\$ 867

*Open Space funding from the constitutional dedication of Corporate Business Tax revenues is not part of the annual Appropriations Act and is separately appropriated by the Legislature. Appropriated amounts will be moved from reserve and reflected as a supplemental appropriation.

** The Surplus Revenue Fund is statutorily credited with 50% of the gain in General Fund revenues against what was certified, less any loss in Property Tax Relief Fund revenues against what was certified.

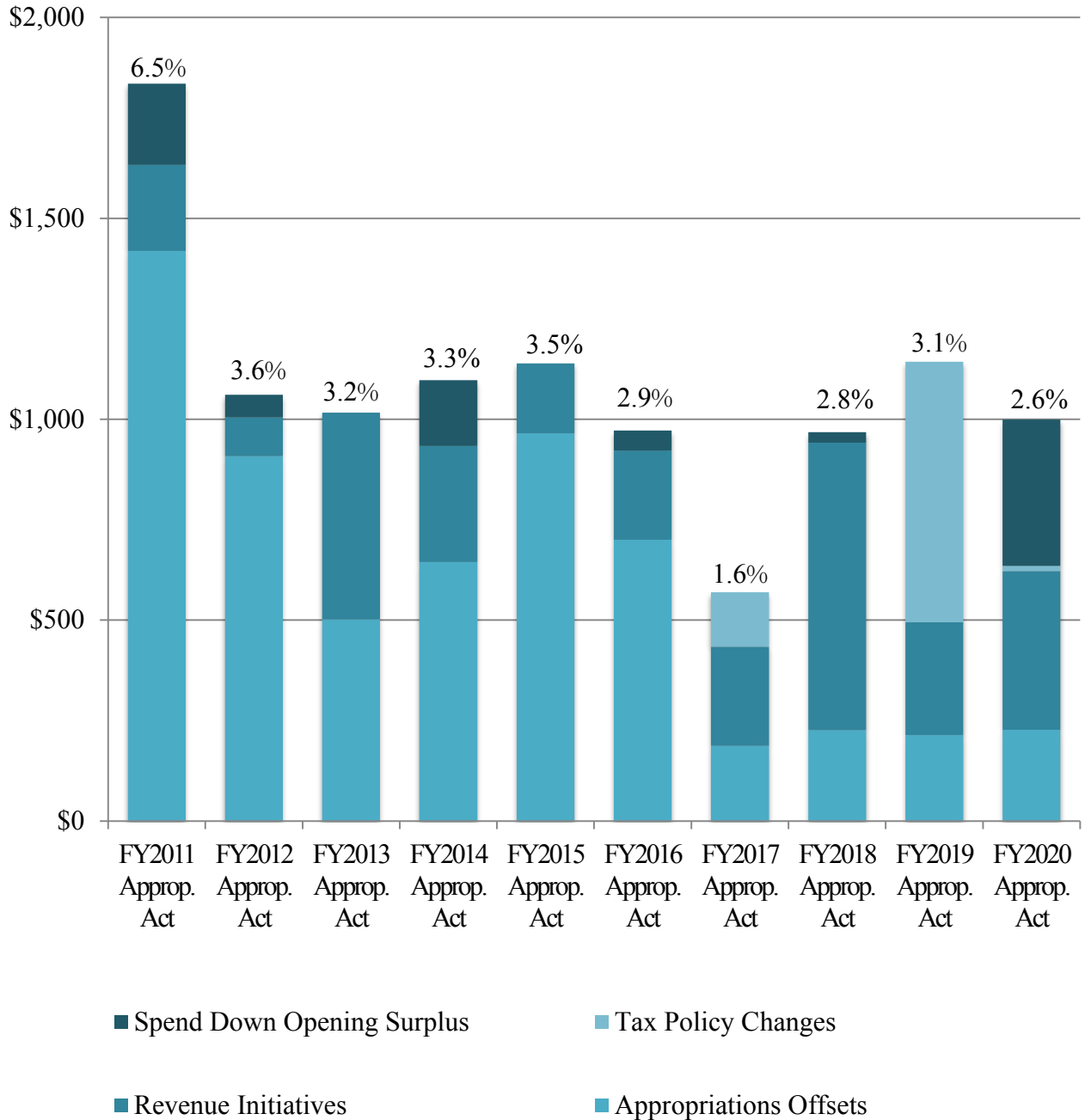
Murphy Administration Provides Unprecedented Investment for Vital State Programs

(In Billions)



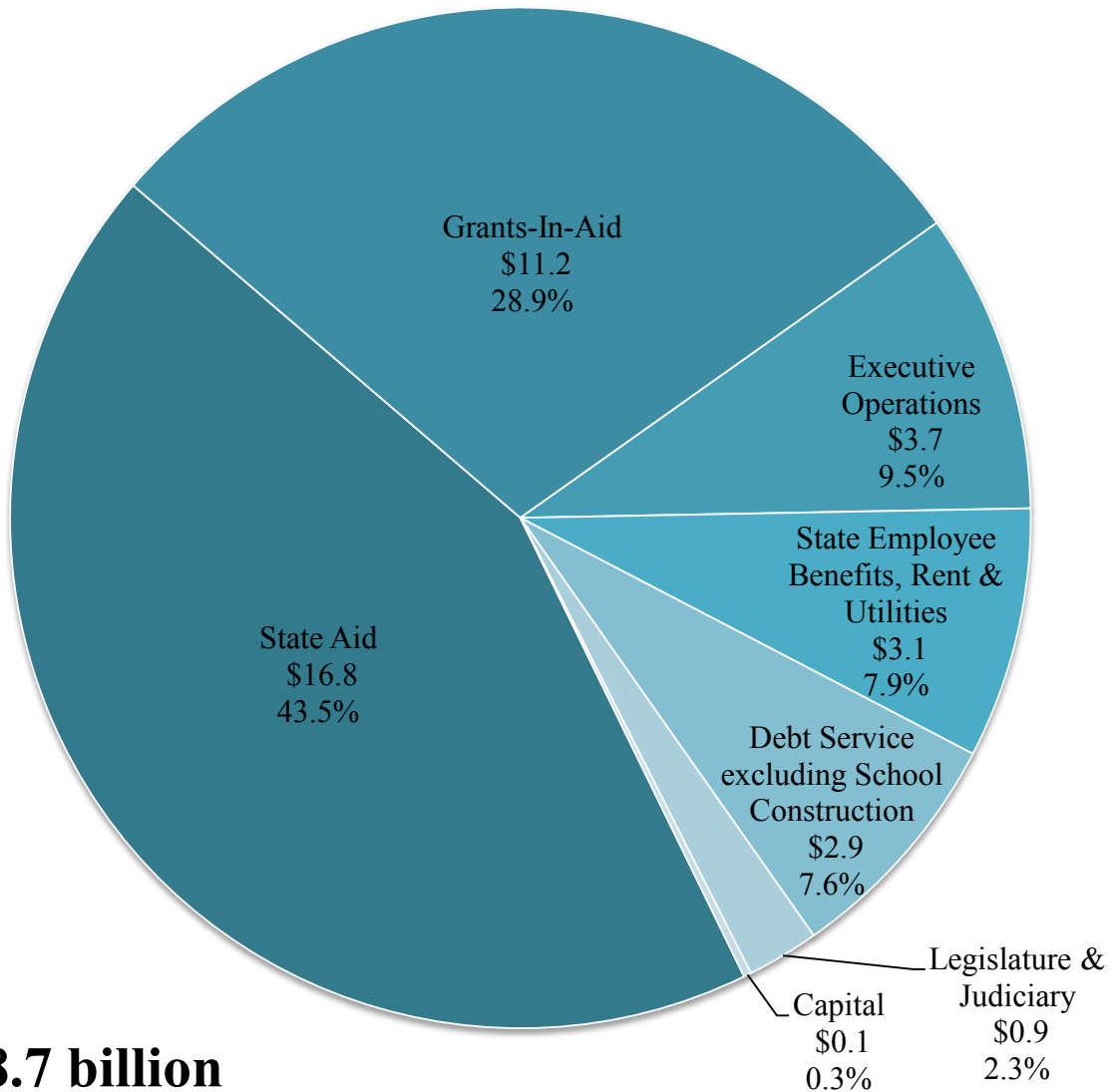
Reliance on Non-Recurring Resources

(In Millions)



Building the FY2020 Budget *

(In Billions)



\$38.7 billion

Executive Operations: includes adult prison and juvenile facilities, State Police and law enforcement, children and families, human services and mental health institutions, and veterans' homes.

Grants-In-Aid: includes property tax relief programs, NJ FamilyCare, PAAD, nursing home and long-term services and supports, and support for higher education.

State Aid: includes education aid programs, school construction debt, municipal aid, general assistance, and aid to county colleges.

* Represents the FY2020 Appropriations Act, as supplemented by P.L.2019, c.151 and P.L.2019, c.152.

FY2020 Appropriations Act Details *

(In Thousands)

Department	FY2019		FY2020	Change	
	Adjusted Approp.		Approp. Act	\$	%
Chief Executive	\$ 6,736		\$ 6,736	-	-
Agriculture	49,119 **		27,076	(22,043)	(44.9)
Banking and Insurance	64,013		64,013	-	-
Children and Families	1,174,506		1,155,940	(18,566)	(1.6)
Community Affairs	878,083 **		923,113	45,030	5.1
Corrections	1,071,827		1,032,528	(39,299)	(3.7)
Education	11,945,185		12,307,736	362,551	3.0
Environmental Protection	387,365 **		323,466	(63,899)	(16.5)
Health	950,016		985,793	35,777	3.8
Human Services	6,658,056		6,674,732	16,676	0.3
Labor and Workforce Development	172,059		172,028	(31)	(0.0)
Law and Public Safety	691,721		635,244	(56,477)	(8.2)
Military and Veterans' Affairs	96,243		96,065	(178)	(0.2)
State	1,366,838		1,428,594	61,756	4.5
Transportation	1,800,614		1,995,051	194,437	10.8
Treasury	2,313,299		2,296,012	(17,287)	(0.7)
Miscellaneous Commissions	786		786	-	-
Total Executive Branch	\$ 29,626,466		\$ 30,124,913	498,447	1.7
Interdepartmental	4,598,338		4,690,040	91,702	2.0
Local Pensions and Health Benefits - Education and Treasury	2,595,869		2,661,347	65,478	2.5
General Obligation Debt Service - Environmental Protection and Treasury	324,562		358,758	34,196	10.5
Legislature	90,126		90,186	60	0.1
Judiciary	768,963		794,819	25,856	3.4
Total Appropriations ***	\$ 38,004,324		\$ 38,720,063	715,739	1.9

* Represents the FY2020 Appropriations Act, as supplemented by P.L.2019, c.151 and P.L.2019, c.152.

** FY2019 includes constitutionally-dedicated Corporate Business Tax (CBT) funds for open space purposes as follows: \$23.6m in Agriculture, \$41.1m in Environmental Protection and \$1.2m in Community Affairs. FY2020 does not include open space funds, as they will be appropriated at a later date via standalone legislation.

*** FY2019 and FY2020 exclude approximately \$1.0 billion in pension contributions funded from the Lottery Enterprise Contribution Act.

Direct State Services By Department

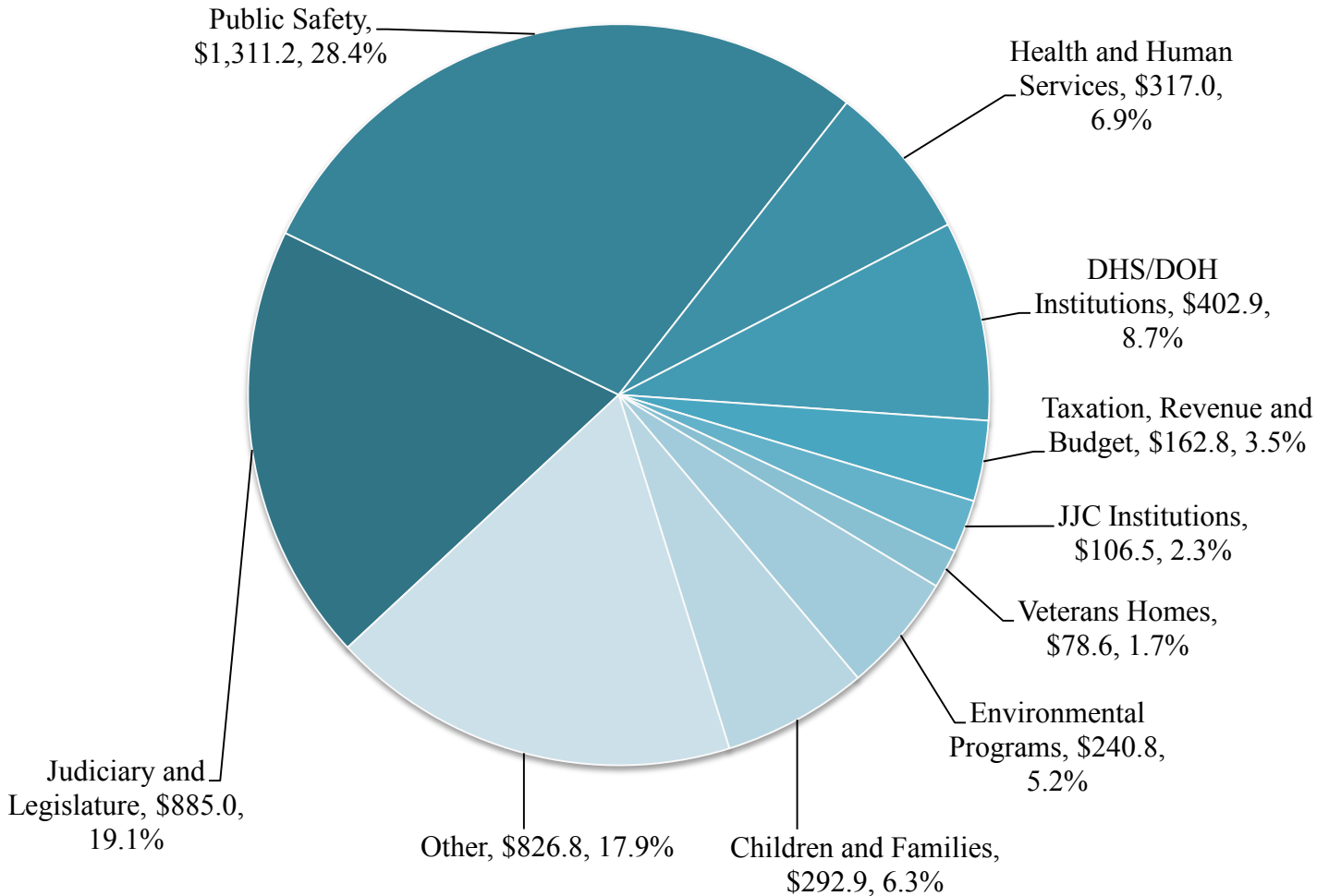
(In Thousands)

Department	FY2019	FY2020	Change	
	Adjusted Approp.	Approp. Act	\$	%
Chief Executive	\$ 6,736	\$ 6,736	-	-
Agriculture	8,092	6,542	(1,550)	(19.2)
Banking and Insurance	64,013	64,013	-	-
Children and Families	292,939	292,939	-	-
Community Affairs	43,516	46,057	2,541	5.8
Corrections	942,866	902,694	(40,172)	(4.3)
Education	93,095	83,227	(9,868)	(10.6)
Environmental Protection	216,850	240,823	23,973	11.1
Health	357,018	372,356	15,338	4.3
Human Services	360,390	347,588	(12,802)	(3.6)
Labor and Workforce Development	97,517	98,486	969	1.0
Law and Public Safety	670,357	613,880	(56,477)	(8.4)
Military and Veterans' Affairs	93,579	93,401	(178)	(0.2)
State	33,391	43,841	10,450	31.3
Transportation	125,382	44,788	(80,594)	(64.3)
Treasury	521,286	481,342	(39,944)	(7.7)
Miscellaneous Commissions	786	786	-	-
Total Executive Branch	\$ 3,927,813	\$ 3,739,499	(188,314)	(4.8)
Interdepartmental *	3,247,042	3,435,071	188,029	5.8
Legislature	90,126	90,186	60	0.1
Judiciary	768,963	794,819	25,856	3.4
Total Direct State Services	\$ 8,033,944	\$ 8,059,575	\$ 25,631	0.3

* FY2019 and FY2020 exclude \$105.0 million and \$108.4 million, respectively, in pension contributions funded from the Lottery Enterprise Contribution Act. Including that component, the total pension contributions for State Employees represent 33% and 36% of the FY2019 and FY2020 Interdepartmental Direct State Services budget, respectively.

FY2020 State Operating Budget

(In Millions)



Total State Operating Budget is \$4.6 billion

The State Operating Budget excludes fringe benefits and other centrally budgeted costs.

Total Support for Property Tax Relief

(In Millions)

<u>Programs</u>	<u>FY2019 Adjusted Approp.</u>	<u>FY2020 Approp. Act</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
School Aid (a)	\$ 14,201.9	\$ 14,634.8	\$ 432.9	3.0
Municipal Aid	1,554.7	1,586.7	32.0	2.1
Other Local Aid	954.6	973.9	19.3	2.0
Property Taxpayer Relief Programs (b)	<u>1,122.9</u>	<u>1,148.7</u>	<u>25.8</u>	<u>2.3</u>
Total Property Tax Relief (c)	<u><u>\$ 17,834.1</u></u>	<u><u>\$ 18,344.1</u></u>	<u><u>\$ 510.0</u></u>	<u><u>2.9</u></u>

(a) FY2019 and FY2020 exclude \$805.8 million and \$831.6 million, respectively, in contributions funded from the Lottery Enterprise Contribution Act.

(b) FY2020 includes \$144.5 million for Tax Year 2016 Benefits and \$138.1 million for Tax Year 2017 Benefits.

(c) Amounts represent funding available either through appropriations or the Gross Income Tax that support property tax relief programs.

School Aid

(In Millions)

	FY2019	FY2020	Change	
	Adjusted Approp.	Approp. Act	\$	%
Aid to Schools				
Formula Aid	\$ 8,485.8	\$ 8,677.0	191.2	2.3
Preschool Education Aid	738.1	806.5	68.4	9.3
Commercial Valuation Stabilization Aid	32.0	20.0	(12.0)	(37.5)
Extraordinary Special Education Aid	195.0	250.0	55.0	28.2
School Building Aid	33.7	27.7	(6.0)	(17.8)
Debt Service Aid	95.1	100.5	5.4	5.7
Other Aid	180.8	189.9	9.1	5.0
Total Aid to Schools	\$ 9,760.5	\$ 10,071.6	311.1	3.2
Direct State Payments for Education				
Teachers' Pension and Annuity Fund	\$ 1,150.7	\$ 1,455.0	304.3	26.4
Post Retirement Medical	1,205.1	961.6	(243.5)	(20.2)
Debt Service on Pension Obligation Bonds	243.8	261.6	17.8	7.3
Teachers' Social Security	774.7	785.5	10.8	1.4
Total Direct State Payments for Education	\$ 3,374.3	\$ 3,463.7	89.4	2.6
School Construction Debt Service	\$ 1,067.1	\$ 1,099.5	32.4	3.0
Total School Aid (included in Appropriations Act)	\$ 14,201.9	\$ 14,634.8	432.9	3.0
Additional Support from Lottery Enterprise Contribution Act	\$ 805.8	\$ 831.6	25.8	3.2
Grand Total School Aid	\$ 15,007.7	\$ 15,466.4	458.7	3.1

Property Taxpayer Relief Programs

(In Millions)

	FY2019	FY2020	Change	
	Adjusted Approp.	Approp. Act	\$	%
Property Tax Deduction Act	\$ 559.2	\$ 595.2	\$ 36.0	6.4
Senior/Disabled Citizens' Property Tax Freeze	204.4	219.7	15.3	7.5
Homestead Benefit Program	304.6	282.6 *	(22.0)	(7.2)
Veterans' Property Tax Deductions	45.7	42.9	(2.8)	(6.1)
Senior/Disabled Citizens' Property Tax Deductions	<u>9.0</u>	<u>8.3</u>	<u>(0.7)</u>	<u>(7.8)</u>
Total Property Taxpayer Relief Programs	<u>\$ 1,122.9</u>	<u>\$ 1,148.7</u>	<u>\$ 25.8</u>	<u>2.3</u>

*FY2020 includes \$144.5 million for Tax Year 2016 Benefits and \$138.1 million for Tax Year 2017 Benefits.

Municipal Aid

(In Millions)

	FY2019 Adjusted Approp.	FY2020 Approp. Act	Change	
			\$	%
Consolidated Municipal Property Tax Relief Aid (CMPTRA) / Energy Tax Receipts	\$ 1,435.2	\$ 1,435.2	-	-
Transitional Aid to Localities / Trenton City Capital Aid	104.6	124.6	20.0	19.1
Shared Services and School District Consolidation Study and Implementation Grants	-	10.0	10.0	-
Hamilton Township (Mercer) Fire District Consolidation	-	2.0	2.0	-
Open Space Payments In Lieu of Taxes (PILOT)	6.5	6.5	-	-
Highlands Protection Fund Aid	4.4	4.4	-	-
Meadowlands Tax-Sharing Payments	4.0	4.0	-	-
Total Municipal Aid	\$ 1,554.7	\$ 1,586.7	32.0	2.1

Higher Education

(In Millions)

	FY2019	FY2020	Change	
	Adjusted Approp.	Approp. Act	\$	%
College and Universities				
Senior Public Institutions				
Operating Support	723.1	723.1	-	-
Outcomes Based Allocation	-	35.0	35.0	-
Fringe Benefits ^(a)	706.2	681.7	(24.5)	(3.5)
Independent Colleges and Universities	1.0	2.0	1.0	100.0
Community Colleges				
Operating Support ^(b)	134.1	134.1	-	-
Fringe Benefits ^(a)	54.4	48.4	(6.0)	(11.0)
Total Colleges and Universities	1,618.8	1,624.3	(5.5)	0.3
Student Financial Assistance				
Tuition Aid Grants	432.9	437.9	5.0	1.2
Community College Opportunity Grant	25.0	30.0	5.0	20.0
Part-Time Tuition Aid Grants for County Colleges	8.7	8.7	-	-
NJSTARS I & II	6.9	6.9	-	-
EOF Grants and Scholarships	45.3	47.6	2.3	5.1
Governor's Urban Scholarship Program	0.9	0.9	-	-
Other Student Aid Programs	2.3	1.0	(1.3)	(56.5)
Total Student Financial Assistance	\$ 522.0	\$ 533.0	11	2.1
Facilities and Capital	142.6	142.0	(0.6)	(0.4)
Other Programs	6.0	8.1	2.1	35.0
Lottery Enterprise Contribution Act ^(c)	126.4	130.4	4.0	3.2
Total Higher Education	2,415.8	2,437.8	22.0	0.9

Notes:

(a) FY2020 fringe benefits costs decreased due to savings from changes in Health Benefits.

(b) Includes funding from the Supplemental Workforce Fund for Basic Skills of \$18.8 million in FY2019 and \$23.8 million in FY2020.

(c) Supports fringe benefits of State-supported employees at Senior Public Institutions and Community Colleges.

Hospital Funding

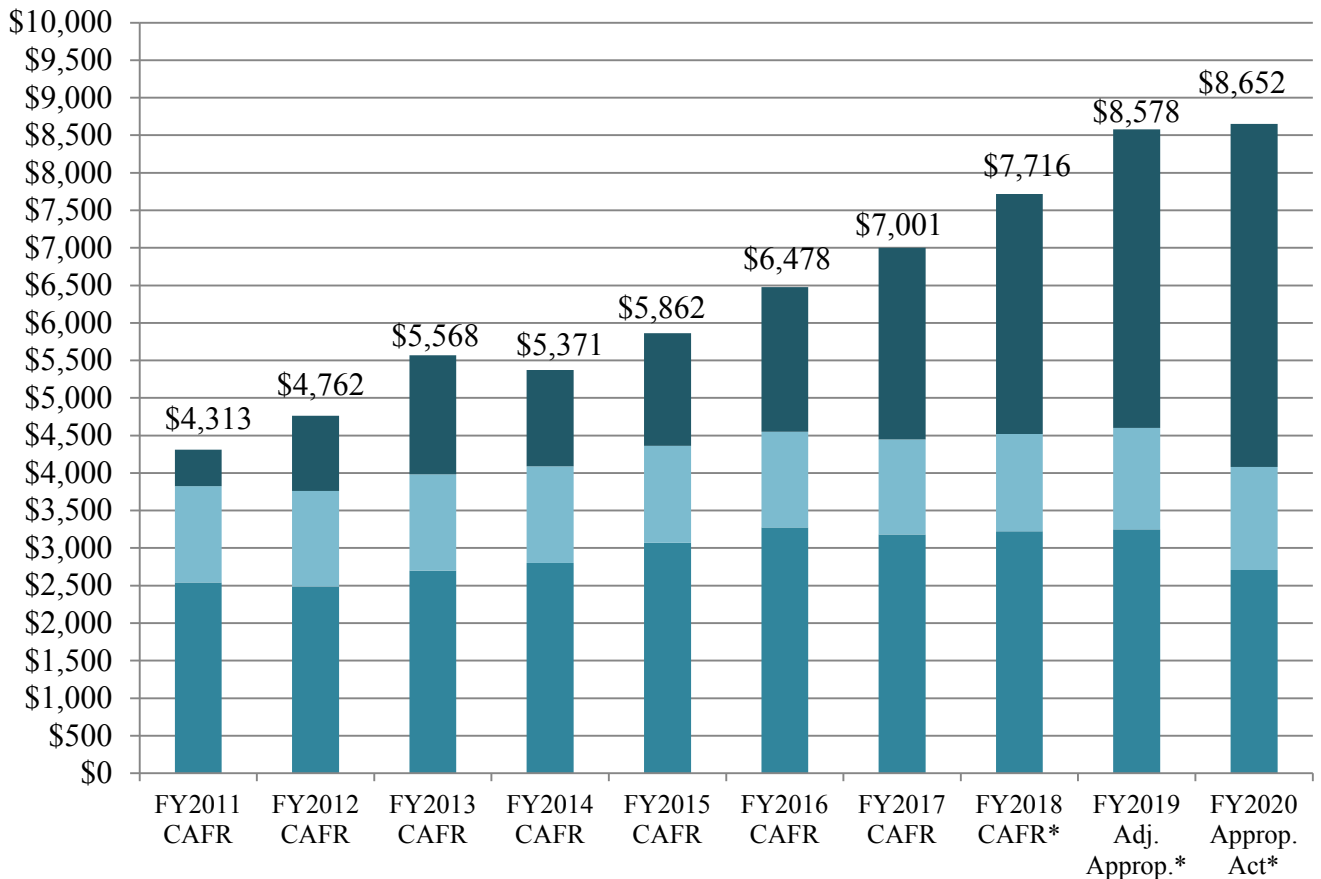
State and Federal

(In Millions)

	FY2019	FY2020	Change	
	Adjusted Approp.	Approp. Act	\$	%
Charity Care	\$ 262.0	\$ 269.0	7.0	2.7
Graduate Medical Education	218.0	218.0	-	-
Supplemental Graduate Medical Education	24.3	24.0	(0.3)	(1.2)
Delivery System Reform Incentive Payments	166.6	166.6	-	-
Hospital Mental Health Offset Payments	24.7	24.7	-	-
University Hospital	44.3	46.3	2.0	4.5
Total Hospital Funding	\$ 739.9	\$ 748.6	8.7	1.2

Employee Benefit Costs

(In Millions)



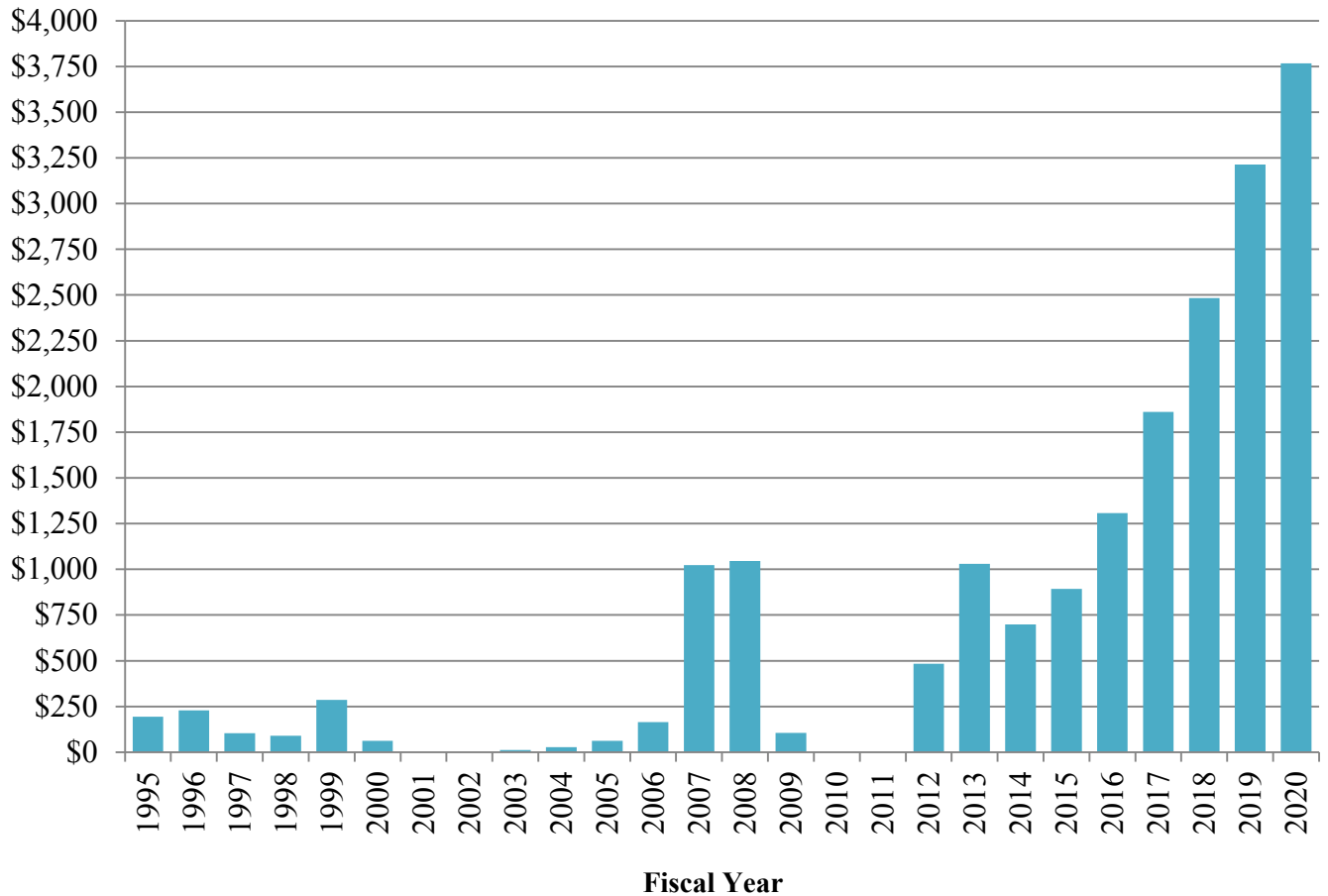
- Pensions/Debt Service on Pension Bonds
- Employer Taxes
- Health Benefits/Post Retirement Medical

*FY2018 through FY2020 amounts above include approximately \$1 billion in pension contributions from the Lottery Enterprise Contribution Act.

Historical Pension Contributions

(In Millions)

Defined Benefit Pension Contribution*



* Pension contribution amounts from FY1995 to FY2005 include funding for non-contributory life insurance; life insurance costs are not included thereafter.

FY2018 through FY2020 amounts above include approximately \$1 billion in pension contributions from the Lottery Enterprise Contribution Act. The FY2019 and FY2020 defined benefit pension contributions fund 6/10ths and 7/10ths of the actuarially determined contribution (ADC) for total contributions of \$3.213 and \$3.767 billion, respectively. FY2020 defined benefit pension contribution will result in total funding of \$3.807 billion when accounting for planned supplemental appropriations.

Pension Contribution History

(In Thousands)

Governor	Fiscal Year	Defined Benefit Pension Contribution (a)
Whitman	1995	\$ 193,342
Whitman	1996	227,916
Whitman	1997 (b)	104,616
Whitman	1998	90,194
Whitman	1999	286,203
Whitman	2000	61,663
Whitman	2001	-
	Cumulative Totals	<u>\$ 963,934</u>
DiFrancesco	2002	\$ 563
	Cumulative Totals	<u>\$ 563</u>
McGreevey	2003	\$ 11,181
McGreevey	2004 (c)	27,520
McGreevey	2005	62,723
	Cumulative Totals	<u>\$ 101,424</u>
Codey	2006	\$ 165,026
	Cumulative Totals	<u>\$ 165,026</u>
Corzine	2007	\$ 1,023,192
Corzine	2008	1,046,136
Corzine	2009	106,268
Corzine	2010	-
	Cumulative Totals	<u>\$ 2,175,596</u>
Christie	2011	\$ -
Christie	2012	484,484
Christie	2013	1,029,296
Christie	2014	699,379
Christie	2015	892,634
Christie	2016	1,307,104
Christie	2017	1,861,608
Christie	2018 (d)	2,484,123
	Cumulative Totals	<u>\$ 8,758,628</u>
Murphy	2019 (d)	\$ 3,213,067
Murphy	2020 (d)	\$ 3,767,013
	Cumulative Totals	<u>\$ 6,980,080</u>

(a) Pension contribution amounts from FY1995 to FY2005 include funding for non-contributory life insurance; life insurance costs are not included thereafter.

(b) As of June 30, 1997, \$2.75 billion in proceeds from the issuance of Pension Obligation Bonds was contributed to the State funded pension systems. Additionally, corresponding legislation enacted authorized the use of excess assets in the systems to fund any contribution requirements going forward.

(c) Between FY1997 and FY2003 excess assets were used to offset pension contributions. Beginning in FY2004, after excess assets were exhausted in most pension funds, the State was to resume making full pension contributions. For FY2004, FY2005 and FY 2006 funds accumulated to support enhanced benefits were diverted to cover a phase-in of contributions for PERS and TPAF.

(d) FY2018 through FY2020 include approximately \$1 billion in annual contributions from the Lottery Enterprise Contribution Act. FY2020 funds 7/10ths of the actuarially determined contribution (ADC). FY2020 defined benefit pension contribution will result in total funding of \$3.807 billion when accounting for planned supplemental appropriations.

Funding Sources for Defined Benefit Pension Payments

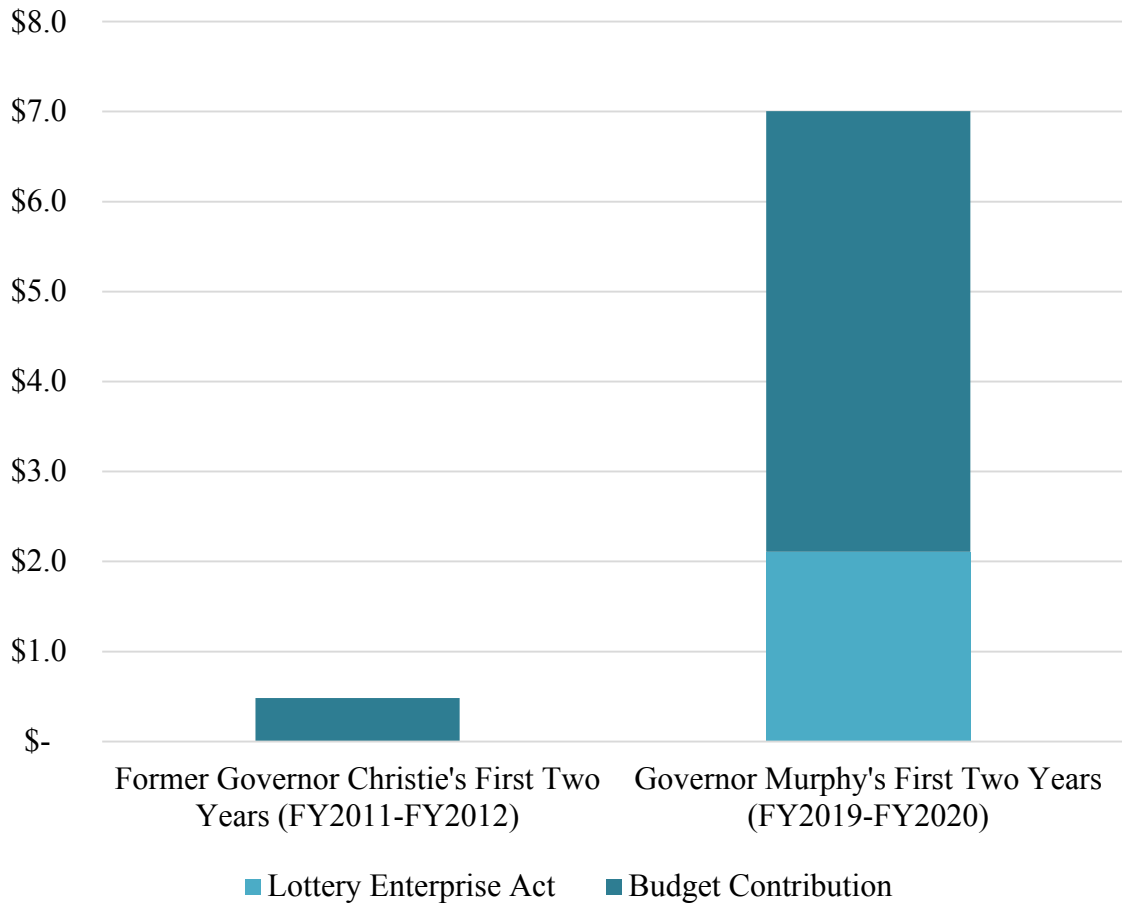
(In Thousands)

Retirement System	FY2020 Budget Contribution	FY2020 Lottery Enterprise Act	FY2020 Total Contribution*
Public Employees' Retirement System	\$ 757,762	\$ 225,009	982,771
Teachers' Pension and Annuity Fund	1,419,509	832,597	2,252,106
Police and Firemen's Retirement System	366,761	12,845	379,606
State Police Retirement System	115,920	-	115,920
Judicial Retirement System	36,610	-	36,610
Total Contribution:	\$ 2,696,562	\$ 1,070,451	\$ 3,767,013

*FY2020 defined benefit pension contribution will result in total funding of \$3.807 billion when accounting for planned supplemental appropriations.

FY2019 - FY2020 Pension Contributions

(In Billions)



Including contributions from the Lottery Enterprise Contribution Act, the FY2019 and FY2020 pension contributions will be almost 15 times larger than the contributions made during the Christie Administration's first two years.

Fiscal Year 2019 Update

FY2019 Revenues

(In Millions)

	FY2018 CAFR	-----FY2019-----		Certified vs. Approp. Act Change		
		Approp. Act	Feb. Revised	Certified	\$	%
Income	\$ 15,038	\$ 15,977	\$ 15,563	\$ 15,911	\$ (66)	(0.4)
Sales	9,619	10,136	10,057	9,944	(192)	(1.9)
Corporate	2,316	3,046	3,709	4,049	1,003	32.9
Other*	<u>8,813</u>	<u>8,251</u>	<u>8,409</u>	<u>8,380</u>	<u>129</u>	<u>1.6</u>
Total	<u>\$ 35,786</u>	<u>\$ 37,410</u>	<u>\$ 37,738</u>	<u>\$ 38,284</u>	<u>\$ 874</u>	<u>2.3</u>

* All Sales and Corporate Taxes on Energy are included in Other.

FY2019 Fund Balance

(In Millions)

	-----FY2019-----		
	Approp. Act	Feb. Revised	June Certified
Opening Budgetary Surplus	\$ 773	\$ 990	\$ 990
CBT Open Space Reserve *	44	44	44
Revenues			
Income	\$ 15,977	\$ 15,563	\$ 15,911
Sales	10,136	10,057	9,944
Corporate	3,046	3,709	4,049
Other	8,251	8,409	8,380
Total Revenues	\$ 37,410	\$ 37,738	\$ 38,284
Lapses	-	382	436
Total Resources	\$ 38,227	\$ 39,154	\$ 39,754
Appropriations			
Original	\$ 37,326	\$ 37,326	\$ 37,326
Supplemental	-	629	678
Total Appropriations	\$ 37,326	\$ 37,955	\$ 38,004
CBT Open Space Reserve	(136)	(101)	(110)
Surplus Revenue Fund**	-	-	(401)
Budgetary Fund Balance	\$ 765	\$ 1,098	\$ 1,239

*Open Space funding from the constitutional dedication of Corporate Business Tax revenues is not part of the annual Appropriations Act and is separately appropriated by the Legislature. Appropriated amounts will be moved from reserve and reflected as a supplemental appropriation.

** The Surplus Revenue Fund is statutorily credited with 50% of the gain in General Fund revenues against what was certified, less any loss in Property Tax Relief Fund revenues against what was certified.

FY2019 Supplemental Needs

(In Thousands)

The amounts below represent spending that ultimately exceeded amounts initially appropriated largely due to legislative additions and trends in program costs that were not foreseen at the time of budget adoption.

State Health Benefits - Replace Legislative Reductions	94,802	
Winter Operations	81,594	
Division of Developmental Disabilities Trend	72,724	
Preserve NJ Corporation Business Tax	65,913	*
NJ FamilyCare - Replace Legislative Reductions and Trend	59,000	
Exxon Settlement - Legal Fees	50,497	**
Exxon Settlement - Natural Resource Damage Restoration Projects	50,000	**
Supplemental Graduate Medical Education	24,286	
Horse Racing Purses	20,000	
Interest on Short Term Notes	15,670	
Employer Taxes - FICA	14,285	
Tax Amnesty Program and Administration	12,500	
Nonpublic School Aid	11,950	**
Nonpublic Security Aid	11,300	
Division of Law Legal Fees	11,000	
CBT Prior Year True-Ups	10,647	
Transitional Aid	10,000	***
NJ SMART	9,493	**
SEMI/MAC Administration	7,221	**
Emergency Aid	6,815	
Homestead Benefits	6,400	***
Other (\$5 million and below)	32,334	
Total Supplemental Needs	\$ 678,431	

* Supported with constitutionally dedicated Corporation Business Tax revenues.

** Offset by revenue.

*** Partially offset by increased lapse.

FY2019 Surplus Balances

(In Thousands)

The amounts below represent line-items in the FY2019 Appropriations Act where more funds were appropriated than necessary to fully fund programs. Balances available were generally attributable to overestimates of funding needs and not changes in policy.

Health Benefits - Medicare Advantage Savings	\$	124,191
Normal Lapse		50,000
Prior Year Lapse		45,000
Developmental Disabilities Increased Federal Revenue		25,000
Children's System of Care - Trend		20,989
Salary Program		20,000
Next Generation 911 - Shift to FY2020		14,450
EDA Debt Service		13,206
Direct Property Tax Relief - Trend		12,600 *
Mental Health and Addiction Services - Trend		12,586
Division of Child Protection and Permanency Savings		8,680
Pharmaceutical Assistance to Aged and Disabled - Trend		8,422
Various Insurance Fund Surpluses		7,900
Division of Family Development Trend and Federal Funds Offset		7,287
School Construction & Renovation Fund		7,141
Support of Patients in County Psych Hospitals - Trend		6,625
Tenants' Assistance and Lifeline - Trend		6,222
CMPTRA Surplus from Prepayment of FY2019 Debt Service		6,221
Transportation Trust Fund Refunding and Delayed Bond Issuance Savings		6,114 **
Other (\$5 million and below)		33,746
Total Surplus Balances	\$	<u>436,380</u>

* Offset by increased supplemental.

** Offset by revenue.

Chapter 3: Economic Overview & Revenue Forecast



CHAPTER 3: ECONOMIC OVERVIEW AND REVENUE FORECAST

New Jersey Economic Overview

The New Jersey economy continues to expand ten years after the end of the Great Recession.

- Real gross domestic product grew 2.2% in 2018. Economic growth has moderated in 2019 with real GDP growing 0.7% in the second quarter of 2019, but still up 1.5% over the first half of the year as a result of solid growth in the first quarter.
- New Jersey personal income grew 5.3% in 2018, which is above the average annual growth rate of 3.8% for the current economic recovery (2011-2018). This strong growth has continued into the first half of 2019, up 4.3% over the same period last year.

Labor Market:

- The unemployment rate reached a new record low of 3.1% this past September.
- Payroll employment has increased by an average of just over 2,000 jobs per month through September, 2019. In 2018, job growth had averaged 3,300 jobs per months, just below New Jersey's average of 3,600 jobs per month over the duration of the economic recovery from 2011 and 2018.
- The labor force participation rate was 62.9% this past September, slightly below the national average of 63.2%.

Housing Market:

- Sales of single-family homes are 0.9% lower, year-to-date, through September.
- Townhouse-condo sales are 4.3% lower, year-to-date, through September.

Fiscal Year 2020 Revenue Projections

Total state revenues are forecasted to grow 0.6% in Fiscal Year 2020, an increase of \$233 million over certified Fiscal Year 2019 levels.

FY2020 Revenues

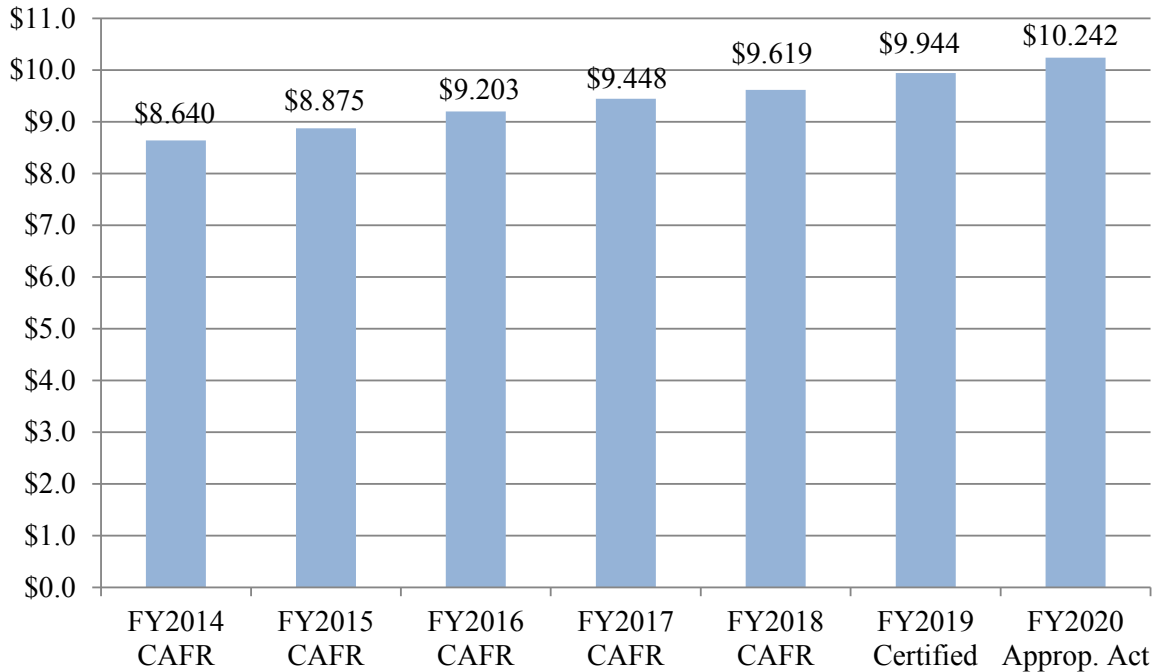
(In Millions)

	FY2019	FY2019	FY2020	Change from Certified	
	Approp. Act	Certified	Approp. Act	\$	%
Income	\$ 15,977	\$ 15,911	\$ 16,493	582	3.7
Sales	10,136	9,944	10,242	298	3.0
Corporation	3,046	4,049	3,342	(707)	(17.5)
Other	<u>8,251</u>	<u>8,380</u>	<u>8,440</u>	<u>60</u>	0.7
Total	<u>\$ 37,410</u>	<u>\$ 38,284</u>	<u>\$ 38,517</u>	<u>233</u>	0.6

Sales Tax

Sales tax collections are forecasted to grow 3.0% over certified Fiscal Year 2019 levels. The Fiscal Year 2020 forecast consists of \$10.0 billion in baseline revenues and \$220 million in additional revenue due to having a full year of collections from tax policy changes that went into effect at various points last year, such as taxing remote online sellers and marketplaces, taxing transient housing accommodations, and expanding the medical marijuana program.

Sales Tax (In Billions)



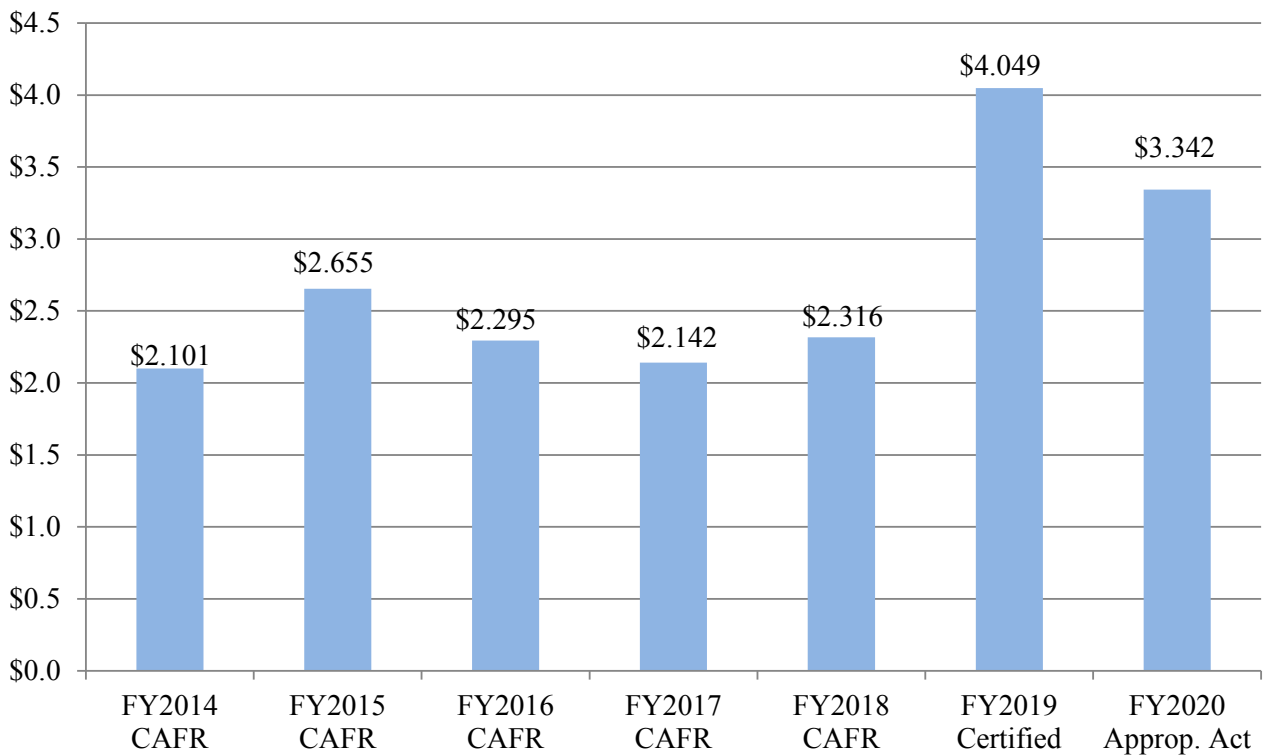
Sales Tax excludes the tax on energy.

Corporation Business Tax

The Fiscal Year 2020 forecast for the Corporation Business Tax (CBT) is \$3.342 billion, which is \$707 million, or 17.5%, below certified Fiscal Year 2019 levels. It's important to note that CBT revenues in Fiscal Year 2019 were bolstered by several one-time events that are not expected to reoccur, including the Tax Amnesty program, deemed repatriation, profit-shifting in response to federal tax reform, a sizable one-time single-taxpayer payment, and a one-time boost to collections as a result of the mid-year implementation of the CBT surtax.

Baseline CBT revenues are forecasted to grow 5.2%. Offsetting this growth is expanded use of tax incentive credits as well as the step-down in the CBT surtax rate from 2.5% to 1.5% beginning in tax year 2020.

Corporation Business Tax (In Billions)

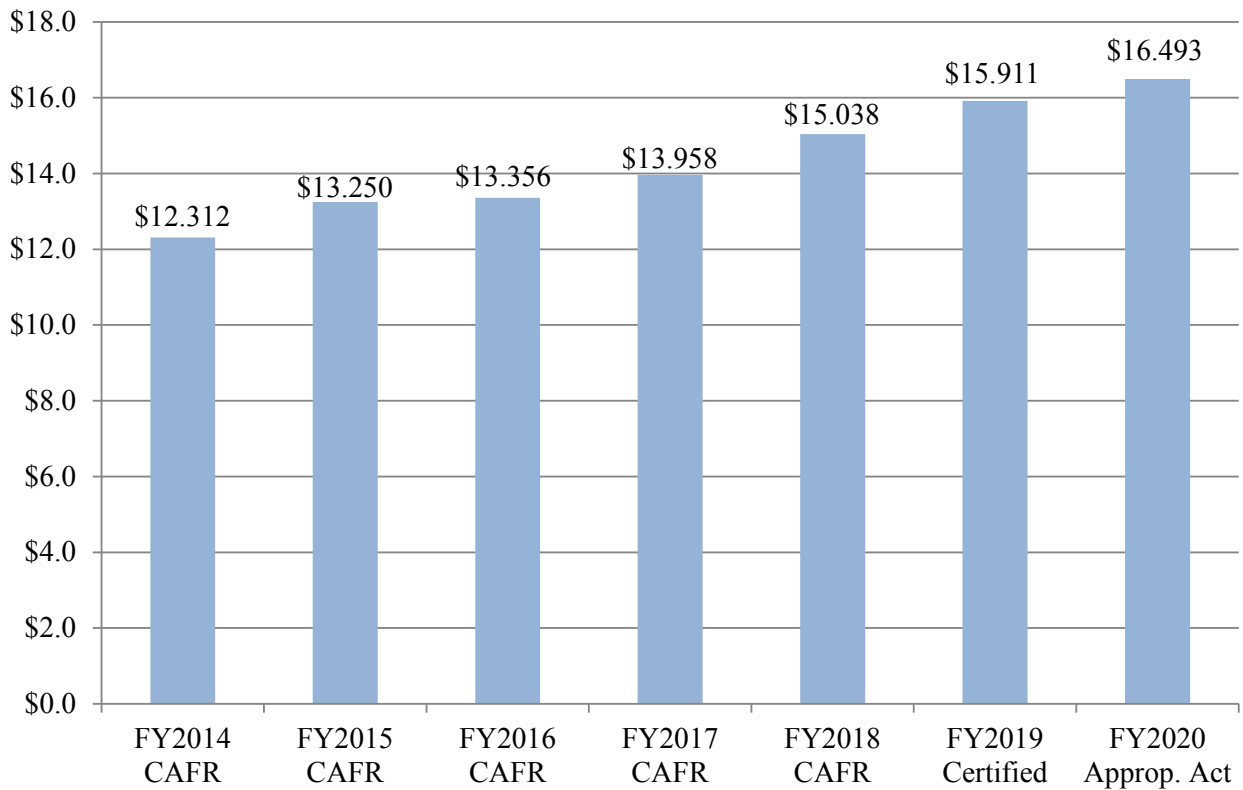


Corporation Business Tax excludes the tax on energy.

Gross Income Tax

The Fiscal Year 2020 forecast of \$16.493 billion is 3.7%, or \$582 million, higher than certified Fiscal Year 2019 levels. Baseline revenues are projected to grow 4.0% over fiscal year 2019. Offsetting this growth is the expansion of the earned income tax credit as well as the increased exemption for veterans.

Gross Income Tax (In Billions)



Total Other Revenues

The Fiscal Year 2020 forecast of \$8.440 billion for total other revenues is an increase of \$60 million over certified Fiscal Year 2019 levels. Total miscellaneous revenues are projected to increase by \$34 million, while revenues from the other major taxes are projected to increase by \$26 million. The rise in revenues from the other major taxes is due to the continuation of the 4.3 cent increase in the Petroleum Products Gross Receipts tax rate. This increase is offset by projected declines in some of the other major taxes, such as the Cigarette Tax, the Insurance Premiums Tax, and the Corporation Business Tax on Banks and Financial Institutions.

Other Revenues

	FY2014 CAFR	FY2015 CAFR	FY2016 CAFR	FY2017 CAFR	FY2018 CAFR	FY2019 Certified	FY2020 Approp. Act
Casino Revenue Fund	\$ 221	\$ 206	\$ 209	\$ 219	\$ 218	\$ 252	\$ 262
State Lottery Fund*	965	960	987	996	-	-	-
Motor Fuels	530	536	554	533	513	507	492
Motor Vehicle Fees	430	437	474	522	498	449	488
Transfer Inheritance/Estate Tax **	687	794	770	748	606	487	420
Insurance Premium	578	643	598	575	591	506	473
Cigarette	224	184	167	171	143	107	86
Petroleum Products Gross Receipts***	217	215	215	531	550	623	768
Public Utility Excise (Reform)	15	16	17	18	20	27	28
Corp. Banks and Financial Institutions	186	127	178	200	152	292	243
Alcoholic Beverage Excise	104	106	106	105	109	111	113
Realty Transfer	249	272	314	346	376	376	383
Tobacco Products Wholesale Sales	22	23	24	25	23	31	38
Total Other Major Taxes	\$ 4,428	\$ 4,519	\$ 4,613	\$ 4,989	\$ 3,799	\$ 3,768	\$ 3,794
Total Miscellaneous Revenues	\$ 3,867	\$ 3,798	\$ 3,406	\$ 3,584	\$ 5,014	\$ 4,612	\$ 4,646
Total Other Revenues	\$ 8,295	\$ 8,317	\$ 8,019	\$ 8,573	\$ 8,813	\$ 8,380	\$ 8,440

*Beginning in FY2018, all revenues from the Lottery Enterprise Contribution Act are dedicated to pension payments.

** FY2018 through FY2020 decline is due to the phase-out of the estate tax,

***Excludes the portion of the Petroleum products Gross Receipts Tax (PPGRT) deposited into the Transportation Trust Fund Subaccount for Capital Reserves, which began in FY 2017. Effective November 1, 2016, the tax imposed under the PPGRT changed in the following manner: 1) a tax rate of 12.85% on highway fuels with a phase-in of the diesel fuel component; 2) a tax rate of 7.0% on non-highway fuels; and 3) an additional four cent per gallon tax on diesel fuels that began in FY 2018. New Jerseyans also voted in favor of a constitutional amendment to dedicate all gas tax revenues to the state transportation system during the 2016 General Election. In addition, effective October 1, 2018, the tax rate on highway fuels that is imposed under the PPGRT was increased by an additional 4.3 cents per gallon as required by the legislation.

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, 2020.

GENERAL FUND

Undesignated Fund Balance, July 1, 2019	\$ 1,239,062,000
All Revenues--same as S-2020	21,072,668,000
Except for: Sales	(10,000,000)
Sales - Energy	3,000,000
Corporation Business	(30,000,000)
Insurance Premiums Tax	(34,000,000)
Realty Transfer Fee	(6,500,000)
Corporation Banks and Financial Institutions	(81,500,000)
Alcoholic Beverage Excise	(2,000,000)
Cigarette	(15,044,000)
Public Utility Gross Receipts and Franchise Taxes	(10,000,000)
Medicaid Uncompensated Care - Acute	3,500,000
General Revenue - Fees (Commercial Recording and UCC)	(25,000,000)
Public Utility Excise (Reform)	6,000,000
Fringe Benefit Recoveries from Colleges and Universities	2,500,000
Fringe Benefit Recoveries from Federal and Other Funds	(7,700,000)
Total Resources, General Fund	<u>\$ 22,104,986,000</u>

PROPERTY TAX RELIEF FUND

Undesignated Fund Balance, July 1, 2019	\$ -
All Revenues--same as S-2020	17,339,500,000
Except for: Gross Income Tax	(6,500,000)
Total Resources, Property Tax Relief Fund	<u>\$ 17,333,000,000</u>

GUBERNATORIAL ELECTIONS FUND

Undesignated Fund Balance, July 1, 2019	\$ -
All Revenues--same as S-2020	700,000
Total Resources, Gubernatorial Elections Fund	<u>\$ 700,000</u>

CASINO REVENUE FUND

Undesignated Fund Balance, July 1, 2019	\$ -
All Revenues--same as S-2020	261,500,000
Total Resources, Casino Revenue Fund	<u>\$ 261,500,000</u>

CASINO CONTROL FUND

Undesignated Fund Balance, July 1, 2019	\$ -
All Revenues--same as S-2020	55,767,000
Total Resources, Casino Control Fund	<u>\$ 55,767,000</u>

SURPLUS REVENUE FUND

Undesignated Fund Balance, July 1, 2019	\$ 401,394,000
Total Resources, Surplus Revenue Fund	<u>\$ 401,394,000</u>
GRAND TOTAL, ALL STATE FUNDS	<u>\$ 40,157,347,000</u>

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 NJS 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/ Philip D. Murphy

Governor

Attested:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

SUMMARY OF FISCAL YEAR 2019-20 APPROPRIATION RECOMMENDATIONS

(In thousands)

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

	2019 Adjusted Approp.	2020 Approp Act	----- Change -----	
			Dollar	Percent
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	27,685,903	28,352,586	666,683	2.4 %
State Operations				
Executive Branch	3,877,001	3,682,769	(194,232)	(5.0)
Legislature	90,126	90,186	60	0.1
Judiciary	768,963	794,819	25,856	3.4
Interdepartmental	3,247,042	3,435,071	188,029	5.8
Total State Operations	7,983,132	8,002,845	19,713	0.2 %
Capital Construction	1,727,793	1,688,618	(39,175)	(2.3)
Debt Service	324,562	358,758	34,196	10.5
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	37,721,390	38,402,807	681,417	1.8 %
CASINO CONTROL FUND	49,849	55,767	5,918	11.9
CASINO REVENUE FUND	233,085	261,489	28,404	12.2
GUBERNATORIAL ELECTIONS FUND	---	---	-	
GRAND TOTAL STATE APPROPRIATIONS	38,004,324	38,720,063	715,739	1.9 %

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Legislature	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	90,126
Department		
DSS	Office of Legislative Services - Line of Credit - FY19 Supplemental Not Continued	(290)
DSS	Broadcast Technology Improvements	150
DSS	The Council of State Governments	200
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		60
FISCAL 2020 APPROPRIATION		90,186

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Chief Executive	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	6,736
	FISCAL 2020 APPROPRIATION	6,736

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Agriculture	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	49,119
Department		
DSS	Open Space Administrative Costs - Shift to CBT Funds	(2,050)
GIA	Hunters Helping the Hungry	100
DSS	New Jersey Hemp Farming Fund	500
GIA	South Jersey Food Bank	1,000
GIA	Community Food Bank of New Jersey	2,000
Agriculture		
CC	CBT Dedication - Preserve New Jersey Farmland Preservation Fund - FY19 Supplemental Not Continued	(23,593)
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		(22,043)
FISCAL 2020 APPROPRIATION		27,076

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Banking and Insurance	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	64,013
	FISCAL 2020 APPROPRIATION	64,013

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Children and Families	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	1,174,506
Department		
GIA	Children's System of Care Savings	(11,928)
GIA	Child Protection and Permanency Savings	(6,638)
GIA	Medicaid Accreditation for Treatment Facilities - Annualized Savings	(3,000)
GIA	Nurse Family Partnership	500
GIA	Latino Action Network Hispanic Women's Resource Center	500
GIA	Women's Services	2,000
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		(18,566)
FISCAL 2020 APPROPRIATION		1,155,940

P = Parent Record

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	Community Affairs	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	873,860
<hr/>		
Department		
GIA	Essex County Park System - Watsessing Park ADA Improvements	(4,000)
GIA	Proprietary House Association, Perth Amboy	(3,000)
SA	Neighborhood Preservation (P.L.1975, c.248 and c.249)	(2,500)
P	Historic Trust/Open Space Administrative Costs - Shift to CBT Funds	(1,839)
GIA	Woodbridge Township - Recreational Facilities Special Needs Improvements	(1,500)
GIA	Sayreville Borough - Water Treatment Facility Security Costs	(750)
GIA	South Amboy Ferry Project Development	(750)
GIA	Joseph's House, Camden - Facility Expansion	(200)
GIA	Newark Public Library - Newark City of Learning Collaborative	(200)
GIA	CAMcare Health Corporation - Facility Improvements	(100)
GIA	Garden to Nurture Human Understanding, Teaneck	(15)
GIA	Interfaith Neighbors, Asbury Park - Meals on Wheels	25
GIA	Monmouth County SPCA	25
GIA	Monmouth Ocean Foundation for Children School	25
GIA	The Community YMCA - YMCA of Western Monmouth: Merger	25
GIA	Jewish Federation of Greater MetroWest - Community-Based Anti-Hate Initiative	40
GIA	Fair Lawn Borough Pedestrian Safety Improvements	50
GIA	Bergenfield Borough Pedestrian Safety Improvements	50
GIA	Little Ferry Borough - Traffic Study	50
GIA	International Youth Organization	100
GIA	Joseph's House, Camden	100
GIA	Bergen Family Center - Teen Center	120
GIA	Belleville Township Recreation Program	125
GIA	Boys and Girls Clubs of New Jersey - At Risk Youth	155
DSS	Local Assistance Bureau	200
GIA	City of Newark - Mayor's Brick City Peace Collective	250
GIA	Morris Canal Park, Jersey City	250
GIA	Perth Amboy Green Infrastructure	250
GIA	Transitional Professionals Re-entry Services	263
SA	County Prosecutors and Officials Salary Increase (P.L.2007, c.350)	431

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Community Affairs	Amount
GIA	Newark Museum	500
GIA	Sayreville Borough - Bailey Park Improvements	500
GIA	East Brunswick Senior Center	750
GIA	Roselle Borough Special Needs Improvements	1,000
GIA	NJSHARES - S.M.A.R.T. Program	1,000
GIA	Volunteers of America - Re-entry Services	1,000
GIA	Anti-violence Out-of-School Youth Summer Program - Newark, Trenton, Paterson	1,000
GIA	Ewing Township - Roadway Improvements	1,000
GIA	Big Brothers and Big Sisters State Association	1,000
GIA	South Amboy Intermodal Transit Village	1,000
GIA	Franklin Township (Somerset) Stream Restoration	1,100
GIA	Woodbridge Township - Special Needs Student Education Facility	1,500
PTRF	Hamilton Township (Mercer) Fire District Consolidation	2,000
GIA	New Jersey Re-entry Corporation - One-Stop Offender Re-entry Services	2,000
GIA	NJ Community Development Corporation Youth Center Project, Paterson	2,000
DSS	Office of Homelessness Prevention	3,000
GIA	Irvington Township - Camp Irvington Repair and Redevelopment	3,000
GIA	Turtle Back Zoo	4,000
PTRF	Shared Services and School District Consolidation Study and Implementation Grants	10,000
PTRF	Trenton Capital City Aid	10,000
PTRF	Transitional Aid to Localities	14,223
	TOTAL FISCAL 2020 REDUCTIONS/INCREASES	49,253
	FISCAL 2020 APPROPRIATION	923,113

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Corrections	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	1,071,827
Department		
DSS	Institutional Restructuring Savings	(40,000)
DSS	Dental Contract Efficiencies	(5,000)
DSS	Line of Credit (LOC) Maturation	(1,381)
GIA	Purchase of Community Programs Savings	(500)
GIA	Purchase of Service for Inmates Incarcerated In County Penal Facilities Savings	(200)
PTRF	Union County - Inmate Rehabilitaion Services	1,000
P	Program Cost Increases Due to Increased Minimum Wage Rate	1,329
DSS	Inmate Healthcare	5,781
Parole Board		
GIA	Grant Program Savings	(1,000)
DSS	Line of Credit Increase - Vehicle Replacements	130
GIA	Program Cost Increases Due to Increased Minimum Wage Rate	542
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		(39,299)
FISCAL 2020 APPROPRIATION		1,032,528

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Education	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	14,279,624
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Department		
PTRF	Charter School Aid	(12,192)
PTRF	Commercial Valuation Stabilization Aid	(12,000)
PTRF	Hillsborough Township School District - Building Maintenance and HVAC Rehabilitation	(1,000)
P	School Facilities Aid Program Savings	(696)
DSS	Salary Savings	(350)
GIA	STEM Dual Enrollment and Early College High Schools	250
SA	Teaneck School District Special Assistance	1,000
P	Nonpublic School Aid	8,619
PTRF	Payment Delay Growth	11,526
PTRF	Emergency Fund	13,185
PTRF	School Construction and Renovation Fund - Debt Service	32,437
PTRF	Extraordinary Special Education Costs Aid	55,000
P	Preschool Education Aid	68,385
PTRF	Formula Aid to School Districts	191,196
Teachers Pensions/Social Sec.		
P	Health Benefits Reform Savings - Teachers	(381,473)
PTRF	Teachers' Social Security Tax	10,839
PTRF	Pension Bonds - Debt Service	17,795
P	Teachers' Post-Retirement Medical	137,952
P	Pensions and Insurance	304,293
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		444,766
FISCAL 2020 APPROPRIATION		14,724,390
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P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Environmental Protection	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	431,080
Department		
GIA	Devoe Lake, Spotswood Borough - Remediation and Restoration Project	(2,500)
DSS	Nuclear Emergency Response - FY19 Supplemental Not Continued	(1,326)
DSS	Water Pollution Control - FY19 Supplemental Not Continued	(1,100)
DSS	Nuclear Emergency Response - Reduced Assessment	(973)
DSS	Hunting and Fishing Licenses for National Guard and Disabled Veterans - FY19 Supplemental Not Continued	(635)
DSS	Salary Savings	(230)
DS	General Obligation - Debt Service	11
DSS	Princeton Battlefield State Park	25
p	CBT Dedication	3,440
DSS	Environmental Policy and Planning - Shift from Clean Energy Fund	3,700
PTRF	Grants for Urban Parks	4,000
DSS	Parks Management - Shift from Clean Energy Fund	19,972
Environmental Protection		
CC	Hazardous Discharge Site Cleanup Fund - Natural Resource Restoration Projects - FY19 Supplemental Not Continued	(50,000)
p	CBT Dedication - Preserve New Jersey Green Acres Fund and Blue Acres Fund - FY19 Supplemental Not Continued	(41,140)
p	CBT Dedication Capital	1,768
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		(64,988)
FISCAL 2020 APPROPRIATION		366,092

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Health	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	956,810
Department		
GIA	Health Care Subsidy Fund - FY19 Supplemental Not Continued	(6,794)
GIA	Supplemental Graduate Medical Education	(286)
p	Reorganization of the Division of Mental Health and Addiction Services	(207)
GIA	Princeton Healthcare System - CHOP New Jersey Transition to Adulthood Comprehensive Care Program	(100)
GIA	North Jersey Community Research Initiative	75
DSS	Electronic Health Record System - Ancora Psychiatric Hospital	100
GIA	Visiting Nurse Association of Central Jersey Community Health Center - LGBTQ Infrastructure Grant	750
GIA	Public Health Infectious Disease Control	2,500
GIA	Family Planning Services	3,000
GIA	Charity Care	7,000
GIA	East Orange General Hospital	7,500
DSS	Psychiatric Hospitals Trend	15,445
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		28,983
FISCAL 2020 APPROPRIATION		985,793

p = Parent Record

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	Human Services	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	6,664,273
Division of Aging Services		
GIA	Pharmaceutical Assistance to the Aged and Disabled Trend	(6,122)
GIA	Caregiver Volunteers of Central Jersey, Freehold	25
Family Development		
SA	General Assistance (GA) Trend	(5,289)
SA	Payments for Cost of General Assistance (20% benefit increase)	500
SA	Emergency Assistance (EA) Time Extension - TANF, GA and SSI	5,000
SA	Work First New Jersey - Client Benefits (20% benefit increase)	6,000
SA	Supplemental Security Income (SSI) Administrative Costs	6,891
P	Work First New Jersey Child Care Rate Increase	24,000
Central Office		
GIA	Unit Dose Contracting Services	(1,250)
DSS	New Jersey 2-1-1 Partnership	(200)
DSS	Nurture NJ	250
P	Reorganization of the Division of Mental Health and Addiction Services	336
DSS	Komminos' Law Implementation	1,580
GIA	Utility Assistance Payments	2,500
Developmental Disabilities		
DSS	Increased Federal Match on Supports Program Administration	(25,000)
GIA	Remove Inactive Clients from Supports Coordination	(2,500)
GIA	Debt Service	(37)
DSS	New Jersey Donated Dental Program	170
GIA	Behavioral Health Crisis Programs for Individuals with Co-occurring Intellectual/Developmental Disabilities	7,000
GIA	FY19/FY20 Community Placements	15,458
Mental Health and Addiction Services		
GIA	Community Based Substance Use Disorder Treatment and Prevention - State Share Trend	(2,500)
DSS	Reorganization of the Division of Mental Health and Addiction Services	(129)
GIA	Morris County Hope One Initiative	150
GIA	Gun Violence and Suicide Prevention Grant	500

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Human Services	Amount
Medical Assistance & Health Services		
P	Enhanced Third-Party Resources	(74,250)
GIA	Increase Health Management Organization Assessment from 2% to 3%	(66,000)
GIA	Legislative Funding Reductions	(55,000)
P	Maximize Third Party Liability Insurance Initiative	(20,000)
GIA	Medicaid Savings	(20,000)
P	FamilyCare Enrollment Changes	(17,567)
GIA	Doula Care Initiative	1,000
P	Autism and Family Planning Services Initiative	10,800
GIA	Expanded Post-Partum Coverage	14,000
P	Nursing Home Rate Increase	21,344
P	Administrative Program Costs	22,571
P	Personal Care Assistance Rate Increase	38,765
P	Reduced Federal Matching Funds/Increased Federal Charges	60,173
P	Managed Care Organization Rate Increase	67,290
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		10,459
FISCAL 2020 APPROPRIATION		6,674,732

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Labor and Workforce Development	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	172,059
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Department		
GIA	Mid-Atlantic States Career and Education Center	(1,000)
DSS	Division of Wage and Hour Compliance, Prevailing Wage Act Enforcement	1,000
Civil Service Commission		
p	Program Efficiencies	(31)
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TOTAL FISCAL 2020 REDUCTIONS/INCREASES		(31)
FISCAL 2020 APPROPRIATION		172,028
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p = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Law & Public Safety	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	680,721
Department		
DSS	Division of Law - Exxon Settlement Legal Fees - FY19 Supplemental Not Continued	(50,497)
P	State Police - Shift to Non-State Funds	(9,600)
DSS	State Police - Enhanced DNA Testing	(450)
DSS	Office of Public Integrity and Accountability (OPIA)	1,000
DSS	State Police - Vehicle Line of Credit	1,600
CCF	Gaming Enforcement Operating Needs	5,970
DSS	State Police - Recruit Classes	6,500
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		(45,477)
FISCAL 2020 APPROPRIATION		635,244

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Military & Veterans Affairs	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	96,243
Department		
DSS	Department-Wide Efficiencies	(178)
	TOTAL FISCAL 2020 REDUCTIONS/INCREASES	(178)
	FISCAL 2020 APPROPRIATION	96,065

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

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	State	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	1,366,838
Agricul Exper Stat-Rutgers		
GIA	Rutgers Equine Science Center Operating Support	95
p	New Jersey Agricultural Experiment Station	500
College of New Jersey		
p	Higher Education Funding Formula	521
GIA	General Institutional Operations	1,000
Higher Ed Student Assistance Auth.		
GIA	Primary Care Practitioner Loan Redemption Program	(1,245)
p	Community College Opportunity Grant	5,000
GIA	Tuition Aid Grants	5,028
Kean University		
p	Higher Education Funding Formula	2,591
Montclair State University		
p	Higher Education Funding Formula	3,748
GIA	General Institutional Operations	7,503
New Jersey City University		
GIA	College Bound/GEAR UP Program	(800)
GIA	Fort Monmouth Campus	1,000
p	Higher Education Funding Formula	1,518
NJ Institute of Technology		
p	Higher Education Funding Formula	1,215
Office of the Secretary of Higher Education		
DSS	New Jersey Education to Earnings Data System - FY19 Supplemental Not Continued	(500)
GIA	College Bound	800
GIA	New Jersey Civic Information Consortium	1,000
OSHE - Educational Opportunity Fund		
GIA	Educational Opportunity Fund Programs	2,250

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

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	State	Amount
Ramapo College of New Jersey		
P	Higher Education Funding Formula	674
GIA	General Institutional Operations	1,000
Rowan University		
P	Higher Education Funding Formula	1,596
Rutgers, Camden		
GIA	Planning for Future Growth	(500)
P	Higher Education Funding Formula	973
Rutgers, Newark		
P	Higher Education Funding Formula	1,791
Rutgers, The State University		
GIA	Engineering/Information Technology Expansion Initiative	(2,500)
GIA	Office of Innovation - FY19 Supplemental Not Continued	(500)
P	Higher Education Funding Formula	1,325
GIA	School of Engineering - Equipment Acquisition	2,500
Stockton University		
P	Higher Education Funding Formula	1,345
GIA	General Institutional Operations	4,612
Thomas Edison State University		
P	Higher Education Funding Formula	845
GIA	General Institutional Operations	1,000
University Hospital		
GIA	Emergency Department and Trauma Center Capital Infrastructure	2,000
William Paterson University of NJ		
P	Higher Education Funding Formula	1,858
Department		
DSS	Office of Economic Growth	(250)
DSS	New Jersey Historical Commission - Celebration of America	(200)
DSS	Trenton War Memorial - Information Technology Upgrades	(100)
GIA	Count Basie Center for the Arts - Arts Education Outreach Initiatives	(50)
GIA	New Jersey Women Vote - Alice Paul Institute	113

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	State	Amount
P	New Jersey Manufacturing Extension Program, Inc.	250
GIA	Long Branch Historical Museum Association - Saint James Chapel Restoration	250
GIA	Center for Hispanic Policy, Research and Development	1,000
DSS	Business Marketing Initiative	3,000
P	Complete Count Commission	8,500
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		61,756
FISCAL 2020 APPROPRIATION		1,428,594

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Transportation	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	1,774,020
NJ Transit		
PTRF	Transportation Assistance for Senior Citizens and Disabled Residents	(78)
P	New Jersey Transit Corporation	150,000
Department		
DSS	Winter Operations/Snow Removal - FY19 Supplemental Not Continued	(55,000)
DSS	Engineer Training Program	1,000
Transportation - Proper		
CC	Northeast Corridor Overpass Reconstruction Costs - Perth Amboy	(1,000)
CC	Route 46/Route 93 Intersection, Ridgefield - Traffic Study	250
CC	Route 440, Bayonne - Pedestrian Safety Improvements	250
CC	I-287 Access Ramps from Route 27 Final Design Costs	450
CC	Brown Avenue/Route 206, Hillsborough - Large Truck Bypass	500
CC	Restoration of East Orange Train Stations	1,000
CC	Transportation Trust Fund - Debt Service	123,659
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		221,031
FISCAL 2020 APPROPRIATION		1,995,051

P = Parent Record

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	Treasury	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	2,836,175
Board of Public Utilities		
GIA	Tenants' Assistance Rebate Program	(2,700)
Corrections Ombudsperson		
DSS	Operational Efficiencies	(20)
Department		
DSS	Tax Amnesty Program - FY19 Supplemental Not Continued	(25,000)
P	Salary and Non-Salary Savings	(4,139)
DSS	Line of Credit	(160)
DSS	Ombudsman for Individuals with Intellectual or Developmental Disabilities and their Families	329
DSS	Chief Diversity Officer	406
P	National Center for Civic Innovation Inc.	2,000
P	General Obligation - Debt Service	34,185
Treasury - Casino Control Fund		
CCF	Casino Control Commission - Operational Efficiencies	(52)
State Legal Services		
P	Legal Services of New Jersey - Legal Assistance in Civil Matters	900
Treasury-Direct Property Relief		
PTRG	Homestead Benefit Program Trend	(15,600)
PTRF	Senior and Disabled Citizens' and Veterans' Property Tax Deductions Trend	(3,500)
P	Senior and Disabled Citizens' Property Tax Freeze Trend	(2,700)
PTRG	Senior and Disabled Citizens' Property Tax Freeze - Eliminate Income Cap	18,000
Treasury-Municipal & County Aid		
PTRF	Health Benefits Reform Savings - Municipal Retirees	(13,385)
P	South Jersey Port Corporation Senior Bonds Debt Service Reserve Fund	(1,524)
PTRF	Meadowlands Adjustment Payments - FY19 Supplemental Not Continued	(155)
PTRF	Public Library Project Fund - Debt Service	(2)
PTRF	Pension Bonds - Debt Service	1,755
SA	South Jersey Port Corporation Subordinated Bond Debt Service Reserve Fund	12,750
PTRF	Pensions - Municipal Retirees	24,107

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

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Treasury	Amount
Office of Information Technology		
DSS	Statewide 9-1-1 Emergency Telecommunication System	(13,000)
DSS	Additions, Improvements and Equipment	(3,500)
Economic Development Authority		
GIA	Brownfield Site Reimbursement Fund - Shift to CBT Funds	(2,000)
GIA	Economic Redevelopment and Growth Grants, EDA	24,176
Higher Ed - County Colleges		
P	Health Benefit Reform Savings - County College Retirees	(9,799)
PTRF	Aid to County Colleges	(5,000)
PTRF	County College Employer Taxes	(40)
PTRF	Pension Bonds - Debt Service	18
P	Pensions and Insurance	737
PTRF	County College Retired Employees' Health Benefits (PRM)	3,046
P	Chapter 12 Debt Service	5,453
Higher Ed - Indepen. Colleges & Oth		
GIA	Fairleigh Dickinson University-Newark Campus Political Science Program	250
GIA	Aid to Independent Colleges and Universities	1,000
Miscellaneous Higher Ed.		
GIA	Equipment Leasing Fund - Debt Service	(6,218)
GIA	Higher Education Technology Bond - Debt Service	(1)
GIA	Higher Education Facilities Trust Fund - Debt Service	3
GIA	Higher Education Capital Improvement Program - Debt Service	129
Public Defender		
DSS	Line of Credit	(87)
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		20,662
FISCAL 2020 APPROPRIATION		2,856,837

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Misc. Exec. Comm.	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	786
	FISCAL 2020 APPROPRIATION	786

P = Parent Record

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	Inter-departmental	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	4,597,427
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Employee Benefits		
P	Health Benefits Reform Savings - State and Higher Education	(390,979)
DSS	Procurement and Performance Audit Savings	(15,000)
P	Employer Taxes	8,068
P	Pension Bonds - Debt Service	13,997
P	Employee Health Benefits	130,139
P	Pensions and Insurance - State and Higher Education Employees	199,584
 Inter-departmental		
CC	New Jersey Building Authority - Debt Service	(45,835)
CC	Life Safety, Emergency and IT Projects - Statewide	(5,500)
P	Garden State Preservation Trust - Debt Service	16
 Other Inter-departmental Accounts		
DSS	Interest on Short Term Notes - FY19 Supplemental Not Continued	(15,000)
GIA	New Jersey Sports and Exposition Authority - Debt Service	(10,288)
GIA	New Jersey Performing Arts Center - Capital Improvements	(1,700)
PTRG	Municipal Rehabilitation and Economic Recovery, EDA	(1)
GIA	Liberty Science Center - Debt Service	46
GIA	Liberty Science Center - Operations	1,000
GIA	New Jersey Performing Arts Center - Operating Aid	2,000
GIA	Direct Support Professional Wage Increase	20,000
 Rentals and Utilities		
P	Insurance Claims and Premiums	(8,416)
P	Economic Development Authority - Debt Service	4,182
DSS	Utilities and Other Services	47,500
 Salary & Other Benefits (Adjustments)		
DSS	Judicial Branch	16,300
DSS	Executive Branch	142,500
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		<hr/> 92,613
FISCAL 2020 APPROPRIATION		<hr/> 4,690,040 <hr/>

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Judiciary	Amount
**	2019 Adjusted Appropriations (as reported in the Governor's Budget)	768,963
Department		
DSS	Judges' Salary Increase	3,856
DSS	Statewide Pretrial Services Program	22,000
TOTAL FISCAL 2020 REDUCTIONS/INCREASES		25,856
FISCAL 2020 APPROPRIATION		794,819
GRAND TOTAL -- FISCAL 2020 APPROPRIATION (Excludes Federal Funds)		38,720,063

P = Parent Record

Appendix

SENATE BILL NO. 2020

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 2020, 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.

The State budget that I am signing today contains nearly all of the spending priorities that I included in my Budget Message for Fiscal Year 2020, and for that I am grateful to my legislative partners. Enacting a budget is difficult work that requires good faith and cooperation. In my March budget address, I proposed a budget that included what I believe to be sufficient, sustainable, and recurring revenues to support core State programs as well as new initiatives to strengthen and expand the middle class. Reinforced by over \$1.1 billion in real and sustainable savings, my Fiscal Year 2020 budget proposal broke from tradition in Trenton and included nearly all of the legislative additions to the current Fiscal Year 2019 budget, providing a blueprint for a stronger and fairer State that invests in our people, our infrastructure, and our shared priorities. At the same time, my proposed budget promoted the long-term fiscal stability of our State by providing for the largest budget surplus in nearly a decade.

Fully understanding that the Governor's Budget Message is a recommendation to the Legislature and that, under our Constitution, the Legislature has the right to adjust my proposals as they wish, I expected that the budget I received in June would not match the proposal that I delivered in March. I also understood in March that the ebbs and flow of revenue collections and current events would likely necessitate some changes to the

plan that I had set forth. Based on its own beliefs and priorities, the Legislature has presented me with a strong spending plan for Fiscal Year 2020. With few exceptions, I support and embrace the funding priorities embodied in this bill. If the State's fiscal condition so permitted, it would be my pleasure to support each and every element of the spending side of the legislative budget, albeit with some additional funding to support worthy programs such as community college expansion.

Less strong, unfortunately, is how I would describe the revenue side of the Fiscal Year 2020 budget plan presented to me by the Legislature. Suffice it to say that I do not agree with the legislative majority's methodologies or rationales offered for upwardly deviating by hundreds of millions of dollars above the State Treasurer's revenue projections or those prepared by the Legislature's own Office of Legislative Services ("OLS"). I also question the comprehensiveness and accuracy of legislative estimates of achievable "savings" incorporated in the Legislature's budget, many of which appear to be significantly overstated or largely unachievable within the one-year time frame covered by this spending plan. Moreover, I am concerned that the legislative budget significantly underestimates the true cost of several spending initiatives, further widening the gap between promised spending and available funding.

Taken together, the budget plan presented to me by the Legislature fails to provide full funding for our established priorities, our new priorities, and the generational imperative of restoring and maintaining a responsible surplus and a sizable Rainy Day Fund.

Accordingly, I am appending to Senate Bill No. 2020, at the time of my signing it, this statement of items, or parts thereof, to which I object and which shall not take effect.

[seal]

Respectfully,
/s/ Philip D. Murphy
Governor

Attest:

/s/ Matthew J. Platkin
Chief Counsel to the Governor

State of New Jersey
Executive Department

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14 DEPARTMENT OF BANKING AND INSURANCE
50 Economic Planning, Development, and Security
52 Economic Regulation
DIRECT STATE SERVICES

Direct State Services:

27 "The amount hereinabove appropriated for Consumer Protection Services and Solvency Regulation is conditioned on the following: the Commissioner of Banking and Insurance shall commission an actuarial and/or microsimulation analysis of options for the State to provide more affordable health coverage in the individual market for both consumers who are currently eligible for federal financial assistance and those who are not, while reducing disruptions in coverage affordability for consumers who become ineligible for Medicaid due to an increase in the minimum wage or who will lose federal subsidies in the Marketplace or exceed the income limits for federal subsidies in the Marketplace for other reasons. The study shall include at least the following options: 1) implementing State subsidies for individuals up to 200 or 300 percent of federal poverty level to reduce or eliminate consumer payments for premiums and cost sharing; 2) lifting the cap on premium assistance in the Marketplace to aid those individuals with incomes of between 400 and 500 percent of the federal poverty level; 3) implementing the Affordable Care Act's Basic Health Program option; and 4) consumers' purchase of Medicaid, Medicaid-like or NJ FamilyCare plans. For these and any other options under examination, the study shall estimate effects on State costs, consumer costs, coverage levels, State economic activity, and federal revenue streams that may be available to implement these options, if any. ((The Commissioner shall seek comment from the public, including advocates and stakeholders, on the design of the study and the report and send the final report to the State Legislature within one year of the enactment of this act.))Such amounts are appropriated as the Director of the Division of Budget and Accounting shall determine."

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		\$829,908,000."
	This item is reduced to \$791,908,000.		
	"(From Property Tax Relief Fund	\$827,716,000)."	
	This item is reduced to \$789,716,000.		
	"Total State Aid Appropriation, State Subsidies and Financial Aid		\$829,908,000."
	This item is reduced to \$791,908,000.		
	"(From Property Tax Relief Fund	\$827,716,000)."	
	This item is reduced to \$789,716,000.		

State Aid:

39	" 04 Shared Services and School District Consolidation Study and Implementation Grants (PTRF)		(\$48,000,000)."
	This item is reduced to \$10,000,000.		
	"Department of Community Affairs, Total State Appropriation		\$961,113,000."
	This item is reduced to \$923,113,000.		\$923,113,000."

34 DEPARTMENT OF EDUCATION

30 Educational, Cultural, and Intellectual Development
31 Direct Educational Services and Assistance

STATE AID

"01-5120	General Formula Aid		\$8,235,666,000."
	This item is reduced to \$8,231,666,000.		
	"(From Property Tax Relief Fund	\$7,964,856,000)."	
	This item is reduced to \$7,960,856,000.		
	"Total State Aid Appropriation, Direct Educational Services and Assistance		\$11,224,662,000."
	This item is reduced to \$11,220,662,000.		
	"(From Property Tax Relief Fund	10,840,949,000)."	
	This item is reduced to \$10,836,949,000.		
	Less:		
	"Total Deductions	\$55,487,000."	
	"Total State Aid Appropriation, Direct Educational Services and Assistance		\$11,169,175,000."
	This item is reduced to \$11,165,175,000.		
	"(From Property Tax Relief Fund	10,785,462,000)."	
	This item is reduced to \$10,781,462,000.		

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State Aid:

48 " 01 School Choice (PTRF) (\$60,490,000)."
This item is reduced to \$56,490,000.

51 "Notwithstanding the provisions of any law or regulation to the contrary, following notification to the Joint Budget Oversight Committee there are appropriated to the Emergency Fund account such additional amounts as may be required((, not to exceed \$20,000,000,)) to fund approved applications for emergency aid following district needs assessments conducted by the Department of Education, subject to the approval of the Director of the Division of Budget and Accounting. The commissioner shall determine the repayment terms, if any, that will be assessed."

The language within double parentheses is deleted.

53 "Notwithstanding the provisions of P.L.2016, c.22 (C.18A:39-1d et al.) or any section of law to the contrary, in the case of any school district that receives nonpublic transportation aid hereinabove appropriated from Transportation Aid and meets the criteria for an "eligible district" as defined in subsection a. of section 1 of P.L.2016, c.22 (C.18A:39-1d), in accordance with guidelines issued by the Commissioner of Education, the board of education shall distribute to the consortium, as defined in subsection a of section 1 of P.L.2016, c.22 (C.18A:39-1d), an amount to be determined by the commissioner for each nonpublic school pupil who is attending a nonpublic school which is a part of the consortium and who is required to be transported by the eligible district pursuant to N.J.S.18A:39-1. In accordance with guidelines issued by the commissioner, the consortium shall assume the responsibilities of the eligible district under N.J.S.18A:39-1 for transporting to and from school the pupils for whom the consortium received the aid in-lieu-of transportation amount. If the per pupil cost of the lowest bid received exceeds the aid in-lieu-of transportation amount, then the parent or guardian of the student shall be eligible to receive the aid in-lieu-of transportation amount from the consortium for that school year. If after providing the required pupil transportation any of the disbursed funds remain unspent, the consortium, as it deems appropriate, may provide courtesy busing to pupils who are residents of the eligible district and are attending the nonpublic schools of the consortium. The consortium shall refund to the school district after the completion of the school year any unexpended funds received pursuant to this provision. The State monitor appointed pursuant to section 2 of P.L.2006, c.15 (C.18A:7A-55) shall enter into a contract with an independent entity to audit the consortium. The audit for the 2019-2020 school year shall be submitted to the State monitor no later than December 1 of the subsequent school year, and the State monitor shall transmit a copy of the audit to the commissioner. There shall be established an oversight committee to oversee the operations of the consortium, which shall consist of five members including: one member appointed by the State monitor; and four members appointed by the commissioner, one of whom shall represent a nonpublic school which is part of the consortium."

The quoted language is deleted in its entirety.

"Department of Education, Total State Appropriation \$14,727,390,000."
This item is reduced to \$14,723,390,000.

46 DEPARTMENT OF HEALTH

20 Physical and Mental Health

22 Health Planning and Evaluation

GRANTS-IN-AID

"07-4270 Health Care Systems Analysis \$369,089,000."
This item is reduced to \$363,089,000.

"Total Grants-In-Aid Appropriation, Health Planning and Evaluation \$369,089,000."
This item is reduced to \$363,089,000.

Grants-In-Aid:

77 " 07 Cooper University Hospital - Vulnerable Communities Access To Care Grant (\$5,000,000)."
This item is deleted in its entirety.

77 " 07 East Orange General Hospital (\$1,000,000)."
This item is deleted in its entirety.

"Department of Health, Total State Appropriation \$973,840,000."
This item is reduced to \$967,840,000.

54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

24 Special Health Services

7540 Division of Medical Assistance and Health Services

GRANTS-IN-AID

Grants-In-Aid:

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93 "Notwithstanding the provisions of any law or regulation to the contrary, and subject to the notice provisions of 42 C.F.R. s.447.205, of the amount hereinabove appropriated for the General Medical Services program classification, 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 be ((\$19))."

The amount within double parentheses is reduced to \$18.

99 "Notwithstanding the provisions of chapter 85 of Title 8 of the New Jersey Administrative Code or any other law or regulation to the contrary, and subject to any required federal approval, the amounts hereinabove appropriated within the General Medical Services program classification are subject to the following conditions: (1) Class I (private), Class II (county), and Class III (special care) nursing facilities being paid on a fee-for-service basis, shall be reimbursed at the greater of the rate received on June 30, 2019, or the per diem rate, including the quality of care add-on, of \$188.35; (2) nursing facilities that are being paid by a Managed Care Organization (MCO) for custodial care through a provider contract that includes a negotiated rate shall receive that negotiated rate; (3) any Class I and Class III nursing facility that is being paid by an MCO for custodial care through a provider contract but has not yet negotiated a rate shall receive the greater of the equivalent fee-for-service per diem reimbursement rate as it received as of June 30, 2019, or the per diem rate, including the quality of care add-on, of \$188.35, and any Class II nursing facility that is being paid by an MCO but has not yet negotiated a rate shall receive the greater of the equivalent fee-for-service per diem reimbursement rate received on June 30, 2019, had it been a Class I nursing facility, or the per diem rate, including the quality of care add-on, of \$188.35; (4) notwithstanding paragraph (1) of subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97), the provider tax add-on payable as an allowable cost shall be \$13.67; (5) the quality of care portion of the provider tax add-on shall be equivalent to the amount received as of June 30, 2019; (6) for the purposes of this paragraph, a nursing facility's per diem reimbursement rate or negotiated 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, or any performance add-on amount as outlined in this paragraph; (7) each Class I, Class II, and Class III nursing facility with a performance score greater than or equal to the national average performance score, as collected and published by the Centers for Medicare and Medicaid Services, for reporting periods Q2 2017, Q3 2017, Q4 2017, and Q1 2018, for one or more of the following metrics shall receive a performance add-on of \$.60 for each metric where average facility performance across the four quarters of data combined is greater than or equal to the national average performance for the same twelve month period: antipsychotic medication use; incidence of pressure ulcers; use of physical restraints; and falls with major injury; (8) each Class I, Class II, and Class III nursing facility that received a composite score of 75 or greater on the Core Q Resident and Family Experience Survey for Q2 2018 shall receive a \$.60 performance add-on; (9) ; each ((class I and class III))nursing facility shall receive a per diem adjustment that shall be calculated based upon an additional \$15,000,000 in State and \$15,000,000 in federal appropriations; and (10) additional revenues derived from the fiscal year 2020 adjustment to the nursing home provider assessment are appropriated to implement the provisions of this paragraph."

The language within double parentheses is deleted.

99 "The amounts hereinabove appropriated within the General Medical Services program classification are subject to the following provisions: the Commissioner of Human Services shall apply the emergency room triage reimbursement fee of \$140, established pursuant to P.L.2018, c.51 (C.30:4D-7p et seq.), for any applicable claim submitted for a patient enrolled in the State Medicaid((fee-for-service)) program(, without exception))."

The language within double parentheses is deleted.

100 "Notwithstanding the provisions of paragraph (13) of subsection i. of section 3 of P.L.1968, c.413 (C.30:4D-3) or any other law or regulation to the contrary, and subject to federal approval, a pregnant woman whose family income does not exceed the highest income eligibility level for pregnant women established under the State plan under Title XIX of the federal Social Security Act shall continue to be eligible for coverage until the end of 180-day period beginning on the last day of her pregnancy((, provided that the applicant's eligibility for services during the last 120 days of the 180-day period is limited to comprehensive maternity care))."

The language within double parentheses is deleted.

70 Government Direction, Management, and Control
76 Management and Administration
7500 Division of Management and Budget
GRANTS-IN-AID

Grants-In-Aid:

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114 "Notwithstanding the provisions of any law, rule or regulation to the contrary, every household in the State that is eligible to receive benefits under the Supplemental Nutrition Assistance Program (SNAP) established pursuant to the "Food and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et seq.) shall receive a minimum annual energy assistance payment of \$21 in order to qualify the household for a heating and cooling standard utility allowance under the SNAP program, in accordance with 7 U.S.C. s.2014(e)(6)(C), unless a standard utility allowance would have been unavailable to the household under the State and federal criteria for SNAP and any applicable energy assistance programs that were in place as of July 1, 2013.((This annual payment shall be disbursed in accordance with the provisions of the Low Income Home Energy Assistance Program (LIHEAP), established pursuant to Pub.L. 97-35, Title XXVI (42 U.S.C. s.8621 et seq.) or other energy assistance program for which the household is eligible, as applicable. Any costs associated with increasing LIHEAP payments first shall be charged to the unexpended balance of federal funds available for the LIHEAP program, to the extent permitted by federal law and regulation.))"

The language within double parentheses is deleted.

74 DEPARTMENT OF STATE
30 Educational, Cultural, and Intellectual Development
36 Higher Educational Services
2405 Higher Education Student Assistance Authority
GRANTS-IN-AID

Grants-In-Aid:

140 "Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Community College Opportunity Grants is subject to the following conditions: (1) \$25 million is appropriated to the Higher Education Student Assistance Authority for the purpose of providing grants to eligible enrollees at New Jersey county colleges for the Fall 2019 and Spring 2020 semesters((and summer courses)), to pay for the costs of tuition or approved educational fees, including fees for nursing, culinary, and other career and technical education programs, or both, that are not already covered by other available funding opportunities, including, but not limited to, awards of tuition assistance and grants from any source, as determined by the Higher Education Student Assistance Authority; provided, however, that the Higher Education Student Assistance Authority, in consultation with the Office of the Secretary of Higher Education, shall establish criteria governing student eligibility and other necessary program elements, which shall be published on the Authority's Internet website; provided further that for Fiscal Year 2020, grants shall be available only to students determined to be eligible by the Authority, and whose adjusted gross income does not exceed \$65,000; and provided further that the maximum per student tuition and approved educational fee amounts eligible for Community College Opportunity Grants coverage shall not be more than two percent greater than the equivalent tuition and fee amounts at each county college in Academic Year 2018-2019; and provided further that unexpended balances, not to exceed \$5 million, may be reallocated to augment the Tuition Assistance Grant program for county colleges, upon the recommendation of the Secretary of Higher Education and subject to the approval of the Director of the Division of Budget and Accounting; (2) students must be enrolled in 6 or more credit hours, as defined pursuant to N.J.A.C. 9A:9-2.6; (3) \$5,000,000 shall be allocated to the Office of the Secretary of Higher Education for the purpose of providing capacity-building grants of equal amount to all community colleges for outreach and student success initiatives that support the goals of the Community College Opportunity Grant program, pursuant to criteria to be established Secretary and published on the Internet website of the Office of the Secretary of Higher Education, which shall include but not be limited to implementing goals and strategies for capacity building, increasing student completion, and reducing financial burdens on students, subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is deleted.

2416 Rutgers, The State University - Camden
GRANTS-IN-AID

"82-2416	Institutional Support	\$204,862,000."
	This item is reduced to \$204,362,000.	
	"Subtotal General Operations	\$204,862,000."
	This item is reduced to \$204,362,000.	
	Less:	
	"Total Income Deductions	\$183,718,000."
	"Total Grants-In-Aid Appropriation, Rutgers, The State University - Camden	\$21,144,000."
	This item is reduced to \$20,644,000.	

Grants-In-Aid:

143 " 82 Rutgers-Camden Workforce Analysis (500,000)."
This item is deleted in its entirety.

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- 143 "The amount hereinabove appropriated for Rutgers-Camden Workforce Analysis shall be allocated to Rutgers-Camden to conduct an analysis, in conjunction with Coopers Ferry Partnership for Camden, of the impact of tax credits, business growth, and economic resurgence on workforce development."

The quoted language is deleted in its entirety.

2445 Rowan University

GRANTS-IN-AID

Grants-In-Aid:

- 145 "For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Rowan University shall be ((1,799))."

The number within double parentheses is reduced to 1,650.

"Department of State, Total State Appropriation
This item is reduced to \$1,428,594,000.

\$1,429,094,000."

82 DEPARTMENT OF THE TREASURY

70 Government Direction, Management, and Control

74 General Government Services

2034 Office of Information Technology

DIRECT STATE SERVICES

Direct State Services:

- 177 "Of the amount hereinabove appropriated for Additions, Improvements, and Equipment, the Director of the Division of Budget and Accounting shall transfer ((not))less than \$2,000,000 to fund projects determined by the Technology Executive Group of the Legislative Information Systems Committee of the Legislative Services Commission for Legislative branch computer and information technologies."

The language within double parentheses is deleted.

94 INTERDEPARTMENTAL ACCOUNTS

70 Government Direction, Management, and Control

74 General Government Services

9430 Salary Increases and Other Benefits

DIRECT STATE SERVICES

Direct State Services:

- 197 "The unexpended balances in excess of ((\$50,000,000)) at the end of the preceding fiscal year in the Salary Increases and Other Benefits accounts are appropriated for the same purposes."

The amount within double parentheses is reduced to \$20,000,000.

Total Appropriation, All State Funds
This item is reduced to \$38,700,110,000.

\$38,748,610,000."

GENERAL PROVISIONS

- 250 "85. Notwithstanding the provisions of any law or regulation to the contrary, proceeds received from the sale of surplus State-owned real property deposited into the State-owned Real Property Fund pursuant to section 1 of P.L.2007, c.108 (C.52:31-1.3b) are appropriated for deposit into the General Fund as State revenue((and any receipts in excess of the amount anticipated, not to exceed \$4,000,000, are appropriated to the Greater Wildwoods Tourism Improvement and Development for boardwalk improvements)), subject to the approval of the Director of the Division of Budget and Accounting; proceeds received in connection with asset value optimization initiatives other than the sale of surplus State-owned real property are appropriated to support State obligations to the retirement systems, consistent with federal law and regulation, subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is deleted.

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14 DEPARTMENT OF BANKING AND INSURANCE

- 27 Language requiring the Department of Banking and Insurance to commission a study on health coverage affordability is deleted. Although the Department intends to proceed with the study, the timeframe set forth in this provision does not provide adequate flexibility to the Department.

22 DEPARTMENT OF COMMUNITY AFFAIRS

- 39 The appropriation of \$48,000,000 for Shared Services and School District Consolidation Study and Implementation Grants (PTRF) is reduced to reflect a more appropriate level of funding in support of this initiative for FY 2020.

34 DEPARTMENT OF EDUCATION

- 48 The appropriation of \$4,000,000 for School Choice (PTRF) is eliminated based on current fiscal circumstances and concerns about the size and effectiveness of the program.
- 51 This language is modified to preserve the ability of the Department of Education to support school districts facing fiscal emergencies.
- 53 The language concerning a nonpublic school district transportation consortium is deleted because it is not linked to an appropriation, consistent with the legislative determination to eliminate related funding provisions, consistent with law.

46 DEPARTMENT OF HEALTH

- 77 The appropriation of \$5,000,000 is eliminated based on current fiscal realities and lack of programmatic details regarding the nature and scope of this substantial new expenditure.
- 77 The appropriation of \$1,000,000 for East Orange General Hospital is eliminated. It is expected that the enactment of Assembly Bill No. 5611 will provide adequate State funding to East Orange General Hospital.

54 DEPARTMENT OF HUMAN SERVICES

- 93 The language establishing the hourly rate for fee-for-service personal care services is reduced to \$18 in order to avoid an approximately \$21,000,000 budget shortfall.
- 99 This language is modified to include county-based nursing facilities in the per-diem adjustment.
- 99 The language is modified to allow the State to realize additional savings to the State Medicaid Program and provide for the protection of particularly vulnerable populations from unforeseen increases to the cost of their medical care.
- 100 The language is modified to remove the requirement limiting eligible services to comprehensive maternity care for the final 120 days of coverage. Because "comprehensive maternity care" is not a defined service under Medicaid, this language may create confusion and increase administrative costs.
- 114 This language is partially deleted in order to increase the likelihood that the intended program expansions can occur in a manner that is not inconsistent with federal law.

74 DEPARTMENT OF STATE

- 140 The language expanding community college opportunity grants to eligible enrollees for summer courses has been removed to reflect available funding.
- 143 The appropriation of \$500,000 for Rutgers-Camden Workforce Analysis is eliminated because it appears to duplicate similar efforts already underway by other entities. The associated language on page 143 is also eliminated.
- 145 The language increasing FTEs by 150 is reduced to restore consistency with the goals of the Secretary of Higher Education's outcomes-based funding formula.

82 DEPARTMENT OF THE TREASURY

- 177 This language is modified to ensure that funds are available to both the executive and legislative branches for emergent information technology needs, in light of other FY 2020 funding cuts to the Office of Information Technology.

94 INTERDEPARTMENTAL ACCOUNTS

- 197 The language appropriating balances in excess of \$50 million in the Salary Increases and Other Benefits accounts is modified to reflect currently anticipated salary needs as calculated by the Office of Management and Budget for FY 2020.

GENERAL PROVISIONS

- 250 The language appropriating excess receipts from the sale of surplus State-owned real property to a "Development" for a local boardwalk project is eliminated to preserve potential General Fund revenues.

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Respectfully,

Philip D. Murphy

Governor

Attested,

Matthew Platkin

Chief Counsel

**PHILIP MURPHY
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED AND TWENTIETH LEGISLATURE
March 5, 2019**

Lieutenant Governor Oliver. Senate President Sweeney, Speaker Coughlin, Majority Leaders Weinberg and Greenwald, Minority Leaders Kean and Bramnick, and members of the 218th Legislature.

Former Governors. Chief Justice Rabner. Judge Grant. Members of the Cabinet.

Faith leaders. Honored guests. Friends and fellow New Jerseyans.

Our license plates say, "New Jersey, the Garden State." But even more than that, New Jersey is the middle-class state. We are all in this together. And, coming together is how we succeed.

So, today I am presenting a budget that is a blueprint for how we continue to build a more secure and inclusive middle class in New Jersey.

This budget is how we make real the promise of a stronger and fairer state that works for every family. And, it builds on the progress we have already made.

Together, we are paving the way for countless families – like the family I grew up in – who want nothing more than to move into the middle class, and we are smoothing the path for those already there.

Together, just a month ago, we put our state on a path to a \$15 an hour minimum wage. This path is the on-ramp that more than one million New Jerseyans will use to ultimately move into the middle class. The economic activity they will power will make those already in the middle class more secure.

But it's about more than just economics. The New York Times said it best, "The \$15 minimum wage doesn't just improve lives. It saves them."

It goes further, "A living wage is an antidepressant. It is a sleep aid. A diet. A stress reliever. It is a contraceptive, preventing teenage pregnancy. It prevents premature death. It shields children from neglect."

If anyone in this chamber ever questions whether what we do matters, simply think of the families striving to join the middle class, those whose paths have been blocked because of a yawning racial wealth gap, and the ALICE families working hard but falling behind -- and then look to this achievement.

Or, to this one. Two weeks ago, we expanded paid family leave to make an even greater difference for families who need time off from work to welcome a new baby, or care for a sick loved one. And, one week ago today, workers who had never before had the ability to take a paid sick day finally began to enjoy this basic benefit so many of us take for granted.

Together, we are beginning to properly fund our public schools, strengthening a public education engine that is the foundation for the middle class – and, at the same time, providing much needed property tax relief.

Together, we are fundamentally redefining public education with greater access to pre-K and by beginning to make community college tuition-free. These are landmark achievements in strengthening the middle class and making New Jersey a national leader.

Together, we are making health insurance more affordable and finally funding Planned Parenthood, steps that take some of the edge off the high costs of health care.

Together, we are rebuilding NJ TRANSIT, directly benefiting everyone who commutes to work and school, and making our state more competitive.

Together, we are making real differences in the everyday lives of millions of people. Together, we are making New Jersey stronger and fairer.

For all of this, I thank you.

But, we must be clear where this journey started. This Administration, and this Legislature, inherited a state hollowed out by eight years of wrong-headed and short-sighted decisions.

GOVERNOR'S MESSAGE

It was eight years of shutting-out middle-class New Jersey families and shutting the door on those struggling to get there.

New Jersey lagged the nation in economic growth and in creating jobs. Eleven credit downgrades drove up costs and pushed down our reputation. Critical infrastructure projects were abandoned, NJ TRANSIT was gutted, and commuters were literally left behind. Public schools and pensions were underfunded year after year.

Again and again, New Jersey's middle class paid the price.

Of course, we heard the word "affordability" a lot over those eight years. But as with so many things over those years, the rhetoric and the reality didn't connect. Affordability was only defined in narrow, partisan terms.

For eight long years, the politics of division failed New Jersey. Just as the politics of division are today failing our nation.

Today, in New Jersey, we are climbing our way out of a deep hole. But in New Jersey, we don't give up, we just work harder. So, together, let's get to work.

In this budget, affordability is about the smart and honest investment of our resources where they will do the most good ... where they can create broad opportunity for many as opposed to just rewarding a privileged few ... where they can rebuild our middle class, rather than milk it.

And, affordability is about being good stewards of every taxpayer dollar and working together to find savings that no one had thought possible.

That is why this budget is rooted in over \$1.1 billion in real and sustainable savings -- including nearly \$800 million in public employee health benefit cost savings and another \$200 million-plus in departmental savings.

You heard that number right – over \$1.1 billion in real and sustainable savings.

Much of these significant savings were achieved through cooperation with our public employees rather than through confrontation. These savings were achieved through the power of working together.

These savings will allow us to take the steps we need to move New Jersey forward. Growing up in our family, the only way we could spend money is if we saved money. I know a lot of New Jerseyans understand that.

Of course, no one, especially not me, questions that taxes are a big piece in New Jersey's affordability puzzle.

That is why slowing the growth of property taxes to a record low matters. That is why our expansion of the Earned Income Tax Credit matters. That is why restoring the homestead property tax benefit matters. That is why tax fairness for middle-class families, seniors, and small and medium-sized businesses matters.

This budget continues us down this path.

But, growing our economy, and investing in the things that will make life better for our middle class and those who aspire to join it, are equally important.

Each of us came here to make things better, to meet our responsibilities, and to serve our constituents. This is a chamber filled with good people with good intentions.

Yet, here we are, paying the price for past years of pushing problems down a broken road.

That is why this blueprint for the middle class matters.

This budget is built upon four elements.

One: Doing the hard work to realize over \$1.1 billion in sustainable savings.

Two: Stabilizing New Jersey's credit-worthiness through responsible fiscal stewardship.

Three: Maintaining and growing our investments in education, infrastructure – in particular NJ TRANSIT – and an innovation-driven economy that reaches deep into every neighborhood.

Four: Ensuring tax fairness for our middle class.

We must remember that each number we write into the budget is a face – the face of one of millions of New Jerseyans looking to us to put aside our differences to overcome our challenges.

Several of these faces are here with us today, guests of the Lieutenant Governor and the First Lady. They are committed to being part of a better future, and they are the people this budget invests in.

Among them are Tawana Watkins, of East Orange, who is part of the new class of NJ TRANSIT engineers, and who will play a big part in once again making NJ TRANSIT the envy of the nation.

Lindenwold's Aurelio Sotelo is a finance student at Rutgers-Camden thanks, in part, to the Educational Opportunity Fund. Because of the EOF, Aurelio is well on his way to achieving his dream of owning his own clothing company.

And, Stacey Barrio-Lothrop and Jans Heinsohn of Carbon22, an innovative medical-device manufacturer which is taking root at the Kearny Point incubator space. Carbon22 is also the very first company to take advantage of the investment we are making in our startup culture through NJ Ignite, the EDA's collaborative workspace rent initiative. In our work to reclaim our dominance in the innovation economy, people like Stacey and Jans, and companies like Carbon22, will lead the charge.

Their faces, those of the other special guests with us today, and the millions of others like them across our state, are why the most important investment in this budget is in the middle class, and in those who dream to join its ranks.

We are as committed to them as we are to our principles, but as I have said before we can compromise on policy without compromising either our principles or our commitment to our people.

I understand the budget I am proposing today will not be identical to the one I will ultimately sign. We will talk, we will negotiate, and we will compromise. That is as it should be. That is how our system works best.

We will have to make hard choices, but that is different from false choices. We need to be stronger and fairer. We can't have economic progress without social progress and we can't have social progress without economic progress.

Because when we remember that success and fairness are not mutually exclusive, we can do big things.

Last year, our Administration worked with our public employees to strike an agreement that is saving state and local taxpayers \$500 million across two years while protecting the health care of the men and women of state and local government, our educators, and our police, fire, and EMS first responders.

But, that was not an end, it was just a beginning, and our conversations never stopped.

We continued to present new ideas, to hear theirs, and to talk as partners, instead of as adversaries.

Negotiations and progress flow from mutual trust. They go nowhere when there is only mutual suspicion. That's the old way. That's the failed way. And, those days are over.

In total, our budget contains roughly \$800 million in real and lasting savings in the delivery of public employee health care in the coming fiscal year – a 16 percent year-over-year decrease from the current budget.

Importantly, the reforms we have agreed upon – and those we continue to work toward in good faith – will allow our taxpayers to keep hundreds of millions of dollars in their pockets. Their impact on local and school budgets is also expected to deliver more than \$400 million in property tax relief.

And, it will save money for those who serve our state, our communities, and our schools, while maintaining the high-quality health care they deserve.

It will make New Jersey more affordable across the board. Half of these savings we will be able to implement administratively, while others will be realized through collective bargaining and the work of the Plan Design Committees that craft the policies available to our public workforce.

Our public workers are not the enemy, they are our neighbors. They are also taxpayers. They are the heart of our middle class. It is not pandering to stand with them -- it is doing our jobs.

We accomplished this with the same mindset in which we worked to save residents an average of more than nine percent on individual health care policies by protecting the Affordable Care Act. The aim isn't to offer lesser care – it's to provide high-quality care at a lower cost. And, we are doing that.

We are doing it without yelling, threatening, or calling people names.

And, I will continue to work in partnership, and in good faith, with our partners in the public workforce on ways we can, collectively, ensure greater progress, and greater relief, for our taxpayers.

GOVERNOR'S MESSAGE

As I mentioned we have also identified another \$200 million-plus in departmental savings opportunities throughout the budget, which we will apply this year.

I thank Treasurer Liz Muoio and her team for their hard work – work that has added up to over \$1.1 billion in savings. By anybody's standard, over \$1.1 billion in sustainable savings is real and substantial.

I also thank Human Services Commissioner Carole Johnson for her knowledgeable leadership in finding an additional quarter-of-a-billion dollars in recoverable Medicaid funds, plus millions more in other efficiencies that will allow us to maximize our federal dollars while protecting beneficiaries.

We are building a stronger fiscal house for New Jersey. We are replacing gimmicks with stability.

For example, the projected surplus of the budget I signed last year was \$765 million – a vast improvement over prior budgets. But, through careful management and keeping an eye on every dollar, we have grown our surplus by one-third over the year and are now set to close Fiscal 2019 with a surplus of over \$1 billion.

This budget will grow our surplus even more in Fiscal 2020, to nearly \$1.2 billion.

I ask you to find the last time we had consecutive years of billion-dollar-plus surpluses.

Last year, I proposed a budget that significantly cut back on the use of one-shots, and this budget once again maintains that example. One-shot revenues are down to only 1.7 percent, a decrease of one-third over the current budget, and half the average yearly amount across the prior administration.

And, in this budget, we are significantly curtailing fund diversions. We are eliminating entirely the diversion from the Affordable Housing Trust Fund, so Lieutenant Governor Oliver and her team at DCA can do more to ensure the accessibility of safe and affordable housing. And, through the Clean Energy Fund, we will put more than \$70 million back to work to make critical investments in our clean-energy economy.

This shows how far we have already come in fixing the structural problems that years of past fiscal decisions had created. And, we know there's still work to do.

Especially with our surplus, we must remain vigilant to safeguard these funds, and not to view them as just extra cash laying around to be raided for any number of programs or projects, no matter how well-intentioned.

Reducing our reliance on one-shots and diversions means greater year-over-year fiscal predictability and reliability.

But the real value is that they allow us to make the investments we need, to make New Jersey a stronger and fairer state for every family.

And, reaching these fiscal mileposts will not go unnoticed by the rating agencies, with whom I will visit later this week, and whose decisions greatly impact our future sustainability.

Because, with a more sustainable fiscal future, we can make more sustainable investments in our future.

Last year, we began the process of finally fulfilling our obligations to our public schools, increasing our investment in K-through-12 classrooms by more than \$350 million.

Let there be no doubt, this investment is one reason why 2018 saw the lowest increase in the average statewide property tax bill not just in the last nine years – but on record.

And, the work to modernize our formula to meet the on-the-ground needs of districts today, led by Senate President Sweeney, is ensuring that school funding dollars are more efficiently and effectively following our children.

We also increased investment in high-quality pre-K programs. Today, in 64 additional school districts, more than 4,400 three- and four-year-olds now have access to pre-K they lacked just one year ago.

This budget maintains this commitment to our kids and our public schools – starting with an additional \$206 million to ramp-up to the full K-through-12 formula funding. There is \$68 million more to not only maintain, but to expand, pre-K. These commitments mean we can continue to be a national leader in the delivery of high-quality public education.

And, our budget continues our Computer Science for All initiative. This gives more high school students, especially minority students, access to an advanced computer science course, so they can earn college credits and industry credentials -- and go on to increase the diversity of our innovation economy.

Our budget includes \$5 million more for Tuition Aid Grants, and an additional \$2.25 million to support the Educational Opportunity Fund.

This is the 50th year in which accomplished students, like Aurelio, are benefitting from EOF. It is the greatest legislative legacy of former Governor Tom Kean, who sponsored the original bill. Let's ensure it continues to write new chapters for our students.

Last year, we inaugurated a grant program that – in concert with EOF and TAG, and other available aid – is helping 13,000 qualified students to pursue an associate's degree tuition-free at one of 13 community colleges.

This budget will grow our investment in Community College Opportunity Grants to reach a total of 18,000 students in the 2019-2020 academic year at every community college – and more of them will be pursuing a degree full-time.

And, our budget looks to a new way to help our four-year public colleges and universities. We propose \$20 million in new formula-driven aid, based on what is needed to ensure the best outcomes for all students and reflect the diversity of our state. This is a first step in funding higher education through fairness, and not politics. It is part of the broader state plan which Higher Education Secretary Zakiya Smith-Ellis will be releasing in the near future.

Last year, we enhanced and refocused our investment in workforce development and apprenticeship programs. We awarded grants expanding opportunities for thousands more to learn and master the skills that will lead them into good-paying, family-supporting careers. This budget continues this commitment.

Our blueprint for the middle class, through its investments in education and workforce development, will continue to make a more competitive and more affordable New Jersey.

In our current budget, we restored direct property tax relief to thousands of middle-class families who were cut off by the prior Administration. I thank Speaker Coughlin for leading the fight to restore this relief, and this budget maintains our commitment with \$283 million in direct property tax relief for our middle-class families and seniors.

In a state with an unmatched location and a regional economy built on moving people and goods, there is no higher priority than fixing NJ TRANSIT. We owe our commuters a transportation system that makes their lives smoother rather than harder. They deserve a system that is safer, more reliable, and customer-oriented.

Our current budget began the long process of turning around an agency that had been hollowed-out by years of disinvestment and mismanagement, leaving customers as second-class citizens and hurting our economic well-being.

Last year, commuters were spared a fare hike. And, if we pass this budget's investment, there won't be one this year, either.

Through our current investment, NJ TRANSIT has moved ahead with procurement of new rail cars and buses to build capacity and relieve overcrowding. We are rebuilding the gutted ranks of rail engineers and bus operators needed to keep the lines running – and I cannot wait to welcome our first class of new train engineers later this spring.

Because of our investment, NJ TRANSIT was able to push forward to meet the federal government's December 31, 2018 deadline on Positive Train Control – a feat almost no one outside our Administration, and I mean almost no one, thought possible.

On Friday, I signed legislation that expands a commuter tax cut, allowing more commuters to directly benefit from pre-tax savings accounts to pay for their rail or bus fares. This can keep hundreds of extra dollars a year in their pockets.

NJ TRANSIT has also reached agreement with Amtrak on millions of dollars' worth of back payments. They are now working together on joint investments in infrastructure and renovations at New York Penn Station that will improve the customer experience.

This budget maintains all of this progress. It will provide \$407 million in General Fund support to NJ TRANSIT. This \$100 million increase will replace \$75 million in fund diversions in addition to providing \$25 million in new direct funding. This keeps NJ TRANSIT on the path to being the turnaround story of the nation, it keeps rebuilding the ranks of professionals needed to keep our system running, and, most importantly, it keeps improving service to our commuters.

It's this simple – an investment in NJ TRANSIT is a direct investment in our economy, our business environment, and our commuters. It's an investment in hard-working people like Tawana, and in the people she will take to-and-from work every day.

GOVERNOR'S MESSAGE

And, we will responsibly invest in meeting our pension obligation and continuing the progress to bringing the pension funds back to health with a second-straight record-setting payment – this year's totaling \$3.8 billion.

Our pension obligation, like many of our challenges – NJ TRANSIT and school funding, among others – did not spring up overnight. It grew because decisions made by both parties allowed it to grow.

I know this particular challenge well, perhaps better than many. I studied it in-depth more than a decade ago when Governor Codey asked me to chair the first pension and benefits task force.

But, the message our Task Force put forward nearly a decade-and-a-half ago is just as true today – we cannot look for quick outs or easy fixes, because they simply don't exist. It took us years to get to this point, and it will take years of good-faith efforts – efforts that must include our public employees, our educators, and our first responders – to successfully get past it.

And, that is why we are making this record \$3.8 billion pension contribution – to keep our promises and to meet our fiscal challenges head-on.

We must ensure that our commitment to affordable, high quality health care and evidence-based policymaking remains as strong as ever. Our current budget restored funding for Planned Parenthood and women's health care. As a result of that investment, over 10,000 more patients – both women and men – were served in 2018 compared to 2017.

At the national level, President Trump and his administration are continuing their assault on Title X, putting the health of millions of women across the country at risk for starkly partisan and political reasons. In New Jersey, we're showing the better way forward.

Last year, four clinics were added where residents could receive family planning services, and an entirely new health clinic opened at Rutgers-Newark. Patients gained access to 8,000 additional hours to receive vital services – including potentially life-saving cancer screenings.

More than 40 critical staffing roles were filled. More than 80,000 STD tests were provided free-of-charge, and today, more women have access to Long Acting Birth Control.

This budget maintains our commitment, so we can continue to build upon this progress.

Over the past year, the First Lady has taken on the growing racial disparity in maternal health, alongside twelve of our commissioners, leaders in our health care and faith communities, legislators, and many others. I want to give a special shout-out to Health Commissioner Dr. Shereef Elnahal, Children and Families Commissioner Christine Norbut Beyer, and Human Services Commissioner Carole Johnson.

The facts are jarring. New Jersey ranks 45th in the nation – yes, 45th – in maternal death rate, nearly double the national average. Even worse, 60 percent of new mothers who die because of complications from childbirth are women of color.

A black baby in New Jersey is three times more likely to die in his or her first year of life than a white baby – the widest racial disparity in the nation.

To combat this, the First Lady and our administration inaugurated the NurtureNJ campaign to raise awareness of our maternal and child mortality crisis and to develop a comprehensive interagency plan. This budget will support these efforts, to bring together more experts and residents in the search for lasting solutions.

And, our budget will provide \$1 million through our Medicaid program for doula who play a critical role in reversing these statistics. Medicaid covers 40 percent of all childbirths in New Jersey – and these babies deserve a chance as much as any other.

These babies are far from the only vulnerable New Jerseyans this budget seeks to help.

While we will maintain our commitment to emergency aid for homeless residents, this budget also recognizes that money, alone, is not an answer to this vexing problem.

We'll take a broader approach through the creation of an Office of Homelessness Initiatives, in the Department of Community Affairs, to act as a hub for more strategic and coordinated efforts, where we use data and analytics to create and implement solutions to address people's housing needs – especially among our veterans -- from prevention, to emergencies, to permanency.

And, our budget will provide critical resources to allow individuals with both developmental disabilities and mental health challenges to thrive in their communities.

In addition, we will do more to alleviate the costs pushed onto our Medicaid system by large employers who leave workers to rely on Medicaid, instead of offering a health care plan. This budget will ask employers with 50 or more employees on Medicaid to pay a small Corporate Responsibility Fee of \$150 for each one of these employees.

They should share in the burden of paying for their employees' care, rather than leaving it to the rest of us.

And, our budget will maintain our commitment to working families in other ways, including continuing the Child and Dependent Care Tax Credit we passed together last year, which is benefitting more than 74,000 New Jersey families.

We are continuing to support smart, compassionate and just prisoner reentry efforts. I commend Governor McGreevey and our faith-based communities for all their great work on the front lines. Our budget this year will increase investments in programs proven to decrease rates of recidivism, and will support the ability of incarcerated individuals to continue their education, so they can find second chances when they come back to our communities.

In every respect, we commit to reforming our criminal justice system for the better.

In our current budget, we set aside \$100 million to directly combat our opioid epidemic through carefully designed programs and thoughtful, data-driven analysis to put resources where they are most-needed. We are ever-mindful that the opioid epidemic was ravaging our cities long before it made headlines.

This budget maintains our commitment, and proposes increasing fees on opioid drug distributors and manufacturers to help support our fight against the opioid epidemic.

Other states, red and blue alike, are taking similar steps. Let's join them. Let's send a clear message that we should be working together to end our national addiction to opioids, not to continue feeding it.

As we look to building the New Jersey of the future, we must be mindful of our ability to continue these investments well into our future.

In my Budget Address one year ago, I called for us to enact a new way in which we provide the tax incentives that help us attract and retain businesses. I spoke directly to it in October, when I released my economic master plan. And, I reiterated this call in my State of the State Address seven weeks ago.

There are many opinions on our current system of open-ended corporate tax breaks. But, here is a simple fact – the potential impact of past corporate tax breaks on corporate business tax collection, in the coming fiscal year, surpasses \$1 billion. And, it will remain over \$1 billion annually for at least the next three fiscal years.

The simple fact is that we are currently obligated – I repeat, obligated – to corporate tax breaks totaling \$11 billion through at least Fiscal Year 2031.

And, lest we forget, for all of these incentives, before this Administration took office, New Jersey was 42nd in job growth and 49th in wage growth, while key investments in education and infrastructure, like a tunnel under the Hudson River, never happened.

Even under a capped program, yes, we would see some loss in corporate business tax revenues. But, it would be predictable and sustainable.

We can provide strategic incentives without hurting our ability to reinvest in the things that bolster our economy and help our businesses, like education and property tax relief, workforce development, and NJ TRANSIT.

That tunnel to New York would be nice, too.

Tax incentives, transparent and accountable, smartly devised and strategically deployed, have a vital role to play in a focused economic growth plan. They are a needed step in undertaking structural fiscal reform and restoring middle-class affordability.

I am a pro-growth progressive. I want the world's biggest and best technology, clean energy, and life-sciences companies to come and expand here – but I am even more committed to the next generation being born and growing here. Reforming how we jumpstart job creation needs to be about both creating jobs and more wisely investing taxpayer money.

The companies dreaming of making it big in New Jersey, like Carbon22, deserve our support. We must be smart and strategic about how we encourage new startups and entrepreneurs ... about how we nurture more businesses owned by women, by persons of color, and by veterans ... and about how we lead the world in clean energy solutions, like offshore wind.

GOVERNOR'S MESSAGE

We can reclaim and dominate all aspects of the innovation economy. That's why we need innovative incentive programs. To be pro-business in the 21st century you need to be agile and creative – just like the businesses we want to grow.

Our current programs expire June 30, along with the current budget.

I ask you to join me now, with renewed purpose, in creating the new suite of smart, focused, and capped incentive programs we need to boost our people and our economy, without compromising our ability to invest in our people and our economy.

We can do this on a parallel track as we work on our final budget, and we can enact them together. In fact, we must.

Because, together, we enacted a responsibly balanced budget that invests in our people and our infrastructure, and which stands for fairness for our middle class, New Jersey's priorities stand proudly in contrast with those of President Trump and his administration.

Right now, across the state, countless middle-class families are doing their taxes and wondering where the tax cuts they were promised by President Trump and his enablers went.

Many barely felt the impact in their take-home pay, and now they're getting less back in their refunds. Many others, because of their now-limited state and local tax deduction, are actually paying more.

Our new Congressional delegation, along with those from our neighboring states, Democrats and Republicans alike, announced legislation to restore the full middle-class SALT deduction by, in part, simply asking the wealthiest to go back to paying what they paid in 2017.

I commend their efforts and give them my full support.

And, ten days ago, I joined with governors from other states adversely impacted by the SALT cap to announce our concerted efforts to have it reversed.

But while those efforts are ongoing, and while our middle class is trying to figure out where their tax relief went, those at the very top are shouldering less and less of their fair share of the tax burden. That's the opposite of tax fairness.

Let's work together to apply the millionaire's tax to every millionaire. By doing so, we can do more to relieve the burden on middle-class taxpayers and senior citizens who are taking it on the chin from the Trump Administration's tax scam.

Let's be absolutely clear – this is not a tax that will be paid by anyone in the middle class. Period. Full stop.

But, it is revenue that is necessary to strengthen and expand the middle class. As I have underscored, we have done a great deal of work to save money – \$1.1 billion – in this budget in order to address our fiscal challenges and we must have the same commitment to support the middle class, and those aspiring to get there.

Our taxpayers overwhelmingly support this, across party lines and across the state. We should listen to them and do this together.

And, we know they also support our work to legalize and regulate adult-use marijuana. I thank Senate President Sweeney, Speaker Coughlin, and Senator Scutari for their partnership. I know we're not across the finish line yet, but we are closer than ever before.

Most importantly, this is the right step for eliminating decades-old and persistent racial and social inequities. But it is also our chance to create an entirely new state-based industry with the potential to create thousands of good-paying jobs, expand opportunities for minority business owners, and jumpstart billions of dollars in new economic activity.

I will only sign this if it expunges the records of those who have been put through our criminal justice system for prior marijuana offenses.

This is an unfinished item from last year's to-do list. Let's commit to completing this effort, together.

And, I renew my call for us to increase the fees for gun licenses and handgun permits. It was long past time we did this last year, when we took so many steps to restore our standing as a national leader in gun safety, and it's even more past time today.

Our gun fees were set in 1966 – when Governor Richard Hughes worked in this building. It's now 2019. It is actually cheaper to get a permit to purchase a handgun – \$2 – than it is to get a dog license in many of our communities.

This is what's needed to support the efforts of Attorney General Gurbir Grewal, our State Troopers, and county and local law enforcement, to fight crime and track gun violence, and to combat the trafficking of illegal guns into our state. In 2018, roughly 80 percent of guns used in the commission of a crime came from out of state.

As with our other efforts, I know the people of New Jersey will support us.

This budget isn't about getting us through the next year. It's about putting ourselves on a trajectory to be that New Jersey we want to be in ten years.

We all must be part of this. No one should be pointing from the sidelines and leaving the hard work of governing to others. We must all find ourselves with some dirt on our uniforms.

It was one of our greatest presidents, Teddy Roosevelt, who told us the credit goes to those, "actually in the arena, whose face is marred by dust and sweat and blood."

I am proud of everyone who, over the course of this past year, has joined me in rolling up their sleeves and jumping into the arena to help with the hard work of restoring New Jersey -- Senate President Sweeney and Assembly Speaker Coughlin, many of you seated here in this Chamber, our Cabinet and team led by Lieutenant Governor Oliver, elected officials all across our state -- mayors, council members, boards of education, county officials -- faith leaders, the men and women of organized labor, first responders, our active-duty military and our veterans, our LGBTQ community, business leaders, educators, communities of color, countless advocates, and the thousands of everyday New Jerseyans I have met all across our state.

This really is about achieving big things by working together, and I thank you.

This budget continues our work to invest in the single most consequential asset in New Jersey -- our people. This budget doubles down on the middle class and all those dreaming to get there, just as my family was when I was growing up.

This budget is the blueprint for building this New Jersey. It is about value for our middle class. It is about our middle-class values.

We are the middle-class state, and when we listen to both the dreams and the concerns of our middle-class families, we can find the answers that help all of New Jersey move forward.

Because when people prosper, New Jersey prospers. When families can move forward, New Jersey moves forward. When seniors are more secure, New Jersey is more secure.

When we foster a better future for young people, young people will build their future here. When we open our doors to innovative new businesses, those businesses will power our economy.

My vision for New Jersey has never wavered -- we need to continue to build an economy that works from the middle class out and from the bottom up. We need an economy that embraces the future but stays true to the values of rewarding hard work, creating opportunity, and providing the tools people need to succeed.

Thank you. May God continue to bless the great people and state of New Jersey, and the United States of America.



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SESSION OF 2018-19**

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