

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

| | Expended Fiscal 2016 | Adjusted Appropriation Fiscal 2017 | Requested Fiscal 2018 | ----- Recommended Fiscal Year 2018 ----- | | |
|--|----------------------------|---|-----------------------------|--|-----------------------------------|----------------------|
| | | | | General Fund | Property Tax Relief Fund | Total |
| Formula Aid Programs: | | | | | | |
| Equalization Aid | \$ 6,070,004 | \$ 6,088,957 | \$ 6,088,957 | \$ 310,659 | \$ 5,778,298 | \$ 6,088,957 |
| Supplemental Enrollment Growth Aid | 4,141 | 4,141 | 4,141 | --- | 4,141 | 4,141 |
| Per Pupil Growth Aid | 13,460 | 13,460 | 13,460 | --- | 13,460 | 13,460 |
| PARCC Readiness | 13,460 | 13,460 | 13,460 | --- | 13,460 | 13,460 |
| Professional Learning Community Aid | --- | 13,427 | 13,427 | --- | 13,427 | 13,427 |
| Educational Adequacy Aid | 82,397 | 82,397 | 82,397 | --- | 82,397 | 82,397 |
| Security Aid | 195,491 | 199,525 | 199,525 | --- | 199,525 | 199,525 |
| Adjustment Aid | 570,551 | 566,024 | 566,024 | --- | 566,024 | 566,024 |
| Preschool Education Aid | 655,517 | 655,517 | 655,517 | --- | 655,517 | 655,517 |
| Under Adequacy Aid | 16,763 | 16,763 | 16,763 | --- | 16,763 | 16,763 |
| School Choice | 52,468 | 53,690 | 55,038 | --- | 55,038 | 55,038 |
| Special Education Categorical Aid | 763,304 | 769,628 | 769,628 | --- | 769,628 | 769,628 |
| Transportation Aid | 186,859 | 192,991 | 195,991 | --- | 195,991 | 195,991 |
| Less: | | | | | | |
| Growth Savings - Payment Changes | (1,971) | (7,573) | (317) | --- | (317) | (317) |
| Assessment of EDA Debt Service | (26,529) | (26,529) | (26,529) | --- | (26,529) | (26,529) |
| Subtotal, Formula Aid Programs | \$ 8,595,915 | \$ 8,635,878 | \$ 8,647,482 | \$ 310,659 | \$ 8,336,823 | \$ 8,647,482 |
| School Building Aid | 51,478 | 45,992 | 40,572 | --- | 40,572 | 40,572 |
| School Construction Debt Service Aid | 63,403 | 72,542 | 89,887 | --- | 89,887 | 89,887 |
| School Construction and Renovation Fund | 840,278 | 898,258 | 918,767 | 50,000 | 868,767 | 918,767 |
| Subtotal, School Facilities Projects | \$ 955,159 | \$ 1,016,792 | \$ 1,049,226 | \$ 50,000 | \$ 999,226 | \$ 1,049,226 |
| TOTAL FORMULA AID | \$ 9,551,074 | \$ 9,652,670 | \$ 9,696,708 | \$ 360,659 | \$ 9,336,049 | \$ 9,696,708 |
| Other Aid to Education: | | | | | | |
| Nonpublic School Aid | \$ 96,603 | \$ 95,503 | \$ 86,503 | \$ 86,503 | \$ --- | \$ 86,503 |
| Charter School Aid | 5,667 | 42,565 | 51,355 | --- | 51,355 | 51,355 |
| Host District Support Aid | --- | 25,860 | 27,683 | --- | 27,683 | 27,683 |
| Commercial Valuation Stabilization Aid | --- | 32,000 | 32,000 | --- | 32,000 | 32,000 |
| Payment for Children with Unknown District of Residence | 37,500 | 38,500 | 41,000 | --- | 41,000 | 41,000 |
| Extraordinary Special Education Costs Aid | 164,989 | 170,000 | 170,000 | 3,978 | 166,022 | 170,000 |
| General Vocational Aid | 4,416 | 4,860 | 4,860 | 4,860 | --- | 4,860 |
| County Vocational Partnership Grant Program | 3,000 | 1,000 | --- | --- | --- | --- |
| Integration Assistance Aid | 1,243 | --- | --- | --- | --- | --- |
| Lead Testing for Schools | --- | 10,000 | --- | --- | --- | --- |
| Other Aid | 4,258 | 803 | 300 | --- | 300 | 300 |
| Subtotal, Other Aid to Education | \$ 317,676 | \$ 421,091 | \$ 413,701 | \$ 95,341 | \$ 318,360 | \$ 413,701 |
| Subtotal, Department of Education | \$ 9,868,750 | \$ 10,073,761 | \$ 10,110,409 | \$ 456,000 | \$ 9,654,409 | \$ 10,110,409 |
| Direct State Payments for Education: | | | | | | |
| Teachers' Pension and Annuity Fund | 761,169 | 1,083,157 | 1,495,975 | --- | 1,495,975 | 1,495,975 |
| Teachers' Pension and Annuity Fund - Post Retirement Medical | 944,044 | 913,755 | 970,058 | --- | 970,058 | 970,058 |
| Teachers' Pension and Annuity Fund - Non-Contributory Insurance | 37,969 | 40,051 | 38,770 | --- | 38,770 | 38,770 |
| Affordable Care Act Fees | 1,718 | 1,662 | 784 | --- | 784 | 784 |
| Debt Service on Pension Obligation Bonds | 184,840 | 210,750 | 226,217 | --- | 226,217 | 226,217 |
| Post Retirement Medical Other Than TPAF | 206,218 | 211,306 | 225,469 | --- | 225,469 | 225,469 |
| Teachers' Social Security Assistance | 747,696 | 768,295 | 758,351 | --- | 758,351 | 758,351 |
| Subtotal, Direct State Payments for Education | \$ 2,883,654 | \$ 3,228,976 | \$ 3,715,624 | \$ --- | \$ 3,715,624 | \$ 3,715,624 |
| TOTAL | \$ 12,752,404 | \$ 13,302,737 | \$ 13,826,033 | \$ 456,000 | \$ 13,370,033 | \$ 13,826,033 |

APPENDIX

PROPERTY TAX RELIEF (millions)

| | FY 2017 | FY 2018 | Change | |
|---|---------------------|--------------------|------------------------------|--------------|
| | Adjusted Approp. | Budget | \$ | % |
| School Aid | \$ 13,302.8 | \$ 13,826.0 | 523.2 | 3.9 |
| Municipal Aid | | | | |
| Consolidated Municipal Property Tax Relief Aid (CMPTRA) / Energy Tax Receipts ^(a) | \$ 1,411.6 | \$ 1,427.7 | 16.1 | 1.1 |
| Transitional Aid to Localities | 107.4 | 93.0 | (14.4) | (13.4) |
| Open Space Payments in Lieu of Taxes (PILOT) | 6.5 | 6.5 | --- | --- |
| Highlands Protection Fund Aid | 4.4 | 4.4 | --- | --- |
| Subtotal, Municipal Aid | \$ 1,529.9 | \$ 1,531.6 | 1.7 | 0.1 |
| Other Local Aid | | | | |
| Transportation Trust Fund - Local Project Aid ^(b) | \$ 280.4 | \$ 496.7 | 216.3 | 77.1 |
| County College Aid ^(c) | 222.9 | 223.7 | 0.8 | 0.4 |
| Employee Benefits on behalf of Local Governments | 163.1 | 184.6 | 21.5 | 13.2 |
| Support of Patients in County Psychiatric Hospitals | 105.2 | 105.2 | --- | --- |
| General Assistance Administration | 27.7 | 27.7 | --- | --- |
| Supplemental Nutrition Assistance Program Administration | 24.2 | 17.2 | (7.0) | (28.9) |
| Essex County Jail Substance Use Disorder Programs | 20.0 | - | (20.0) | (100.0) |
| Library Aid | 11.7 | 11.7 | --- | --- |
| South Jersey Port Corporation Property Tax Reserve Fund | 5.1 | 5.1 | --- | --- |
| Consolidation Implementation | 4.0 | 1.0 | (3.0) | (75.0) |
| County Prosecutor Funding Initiative Pilot Program | 4.0 | - | (4.0) | (100.0) |
| County Environmental Health Act | 2.7 | 2.7 | --- | --- |
| Union County Inmate Rehabilitation Services | 2.5 | - | (2.5) | (100.0) |
| County Offices on Aging | 2.5 | 2.5 | --- | --- |
| Essex Crime Prevention | 2.0 | - | (2.0) | (100.0) |
| Subtotal, Other Local Aid | \$ 878.0 | \$ 1,078.1 | 200.1 | 22.8 |
| Property Taxpayer Relief Programs | | | | |
| Property Tax Deduction Act ^(d) | \$ 455.8 | \$ 462.2 | 6.4 | 1.4 |
| Homestead Benefit Program | 322.5 | 291.9 | (30.6) | (9.5) |
| Senior and Disabled Citizens' Property Tax Freeze | 204.9 | 200.3 | (4.6) | (2.2) |
| Veterans' Property Tax Deductions | 51.2 | 48.5 | (2.7) | (5.3) |
| Senior and Disabled Citizens' Property Tax Deductions | 10.9 | 9.9 | (1.0) | (9.2) |
| Subtotal, Property Taxpayer Relief Programs | \$ 1,045.3 | \$ 1,012.8 | (32.5) ^(e) | (3.1) |
| GRAND TOTAL, PROPERTY TAX RELIEF | \$ 16,756.0 | \$ 17,448.5 | 692.5 | 4.1 |

Notes:

(a) Energy Tax Receipts, funding at \$788.5 million, not part of budgeted State expenditures.

(b) Not part of budgeted State expenditures.

(c) Includes \$18.8 million in funding from the Supplemental Workforce Fund for Basic Skills, not part of budgeted State expenditures.

(d) Not part of budgeted State expenditures, and excludes property tax credit claims.

(e) FY 2018 continues these programs unaltered. The change amount reflects the change in forecasted costs.

STATE LOTTERY FUND SCHEDULE
(thousands)

The estimated revenue available from the State Lottery Fund for education and institutions in fiscal year 2018 is \$1.014 billion. These funds will be applied to support a portion of the programs listed in the schedule below.

DIRECT STATE SERVICES

| | |
|--|-------------------|
| Department of Education | |
| Statewide Assessment Program..... | \$ 25,550 |
| Marie H. Katzenbach School for the Deaf..... | 6,590 |
| Department of Human Services | |
| Operation of State Psychiatric Hospitals..... | 307,248 |
| Operation of Centers for People with Developmental Disabilities..... | 94,576 |
| Department of Military and Veterans' Affairs | |
| Operation of Homes for Disabled Soldiers..... | 15,656 |
| <i>Subtotal, Direct State Services</i> | <u>\$ 449,620</u> |

GRANTS-IN-AID

| | |
|---|---------------------|
| Higher Educational Services | |
| Senior Public Institutions | \$ 699,459 |
| Tuition Aid Grants..... | 419,359 |
| Higher Education Capital Improvement Program..... | 66,652 |
| Opportunity Program Grants..... | 26,019 |
| Higher Education Facilities Trust Fund..... | 19,697 |
| Supplementary Education Program Grants..... | 12,803 |
| Student Tuition Assistance Reward Scholarship (NJSTARS I & II)..... | 6,907 |
| Aid to Independent Colleges and Universities..... | 1,000 |
| Governor's Urban Scholarship Program..... | 945 |
| <i>Subtotal, Grants-in-Aid</i> | <u>\$ 1,252,841</u> |

STATE AID

| | |
|----------------------------------|---------------------|
| Department of Agriculture | |
| School Nutrition..... | \$ 5,613 |
| Department of Education | |
| Nonpublic School Aid..... | 86,503 |
| <i>Subtotal, State Aid</i> | <u>\$ 92,116</u> |
| Grand Total | <u>\$ 1,794,577</u> |

CASINO REVENUE FUND

The Casino Revenue Fund (CRF) was established in 1976 with the provision that State revenues derived from casino gambling would be applied solely for the purpose of “providing funding for reductions in property taxes, rental, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State in accordance with such formulae as the Legislature shall by law provide.” The Fund’s authorized use was expanded in 1981 to include additional or expanded health services or benefits, transportation services or benefits to eligible senior and disabled residents.

Total CRF resources of \$223.6 million, including \$175,000 from the Casino Simulcasting Fund, are projected for fiscal 2018. This total also includes revenues from Internet gaming, which was launched in November 2013.

The Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, which at one point in time consumed a majority of the revenues in the CRF, has become less costly as most recipients now receive medications through the federally funded Medicare Part D program. This has allowed greater CRF support for expanded community based services for residents with developmental disabilities.

The summary and projection table on the following page displays CRF revenues and the programs receiving Fund appropriations over the past several years. Some CRF appropriations have been shifted to the General Fund during that time (see the “General Fund/Property Tax Relief Fund Support” section of the table).

BUDGET INITIATIVES AND ONGOING PROGRAMS

The following programs are currently receiving significant funding through the Casino Revenue Fund:

- Developmental Disabilities Residential Care
— \$175.4 million
- Transportation Assistance to Seniors and Disabled
— \$17.8 million
- Community Based Senior Programs
— \$14.7 million
- Pharmaceutical Assistance to the Aged and Disabled (PAAD)
— \$8.2 million
- Disability Services Personal Assistance
— \$3.7 million
- Sheltered Workshop Transportation
— \$2.2 million

CASINO REVENUE FUND SUMMARY AND PROJECTION
(thousands)

| | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 | Revised 2017 | Budget 2018 |
|---|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Opening Surplus | \$ --- | \$ --- | \$ --- | \$ 7,479 | \$ --- |
| Revenues | 221,226 | 205,964 | 209,243 | 215,906 | 223,469 |
| Lapses and Adjustments (a) | 162,308 | 63,887 | 2,421 | (1,877) | 175 |
| TOTAL RESOURCES | \$ 383,534 | \$ 269,851 | \$ 211,664 | \$ 221,508 | \$ 223,644 |
| MEDICAL ASSISTANCE | | | | | |
| Community Based Senior Programs | 14,747 | 14,737 | 14,748 | 14,748 | 14,748 |
| Disability Services Waivers (b) | 16,502 | --- | --- | --- | --- |
| Global Budget for Long Term Care (b) | 37,850 | --- | --- | --- | --- |
| Hearing Aid Assistance | 25 | 23 | 120 | 120 | 120 |
| Human Services Administration | 902 | 850 | 871 | 871 | 871 |
| PAAD -- Expanded | 50,000 | 9,261 | 8,625 | 8,176 | 8,176 |
| Personal Assistance | 3,734 | 3,734 | 3,734 | 3,734 | 3,734 |
| Statewide Birth Defects Registry | 528 | 516 | 529 | 529 | 529 |
| TRANSPORTATION ASSISTANCE | | | | | |
| Senior Citizens and Disabled Residents | 20,343 | 18,264 | 18,824 | 17,523 | 17,801 |
| Sheltered Workshop Transportation | 2,196 | 2,196 | 2,196 | 2,196 | 2,196 |
| HOUSING PROGRAMS | | | | | |
| Developmental Disabilities | 236,615 | 220,178 | 154,446 | 173,519 | 175,377 |
| OTHER PROGRAMS | | | | | |
| Home Health Aide Certification | 92 | 92 | 92 | 92 | 92 |
| TOTAL APPROPRIATIONS | \$ 383,534 | \$ 269,851 | \$ 204,185 | \$ 221,508 | \$ 223,644 |
| ENDING SURPLUS | \$ 0 | \$ 0 | \$ 7,479 | \$ 0 | \$ 0 |
| GENERAL FUND/PROPERTY TAX RELIEF FUND SUPPORT | | | | | |
| Developmental Disabilities | 311,652 | 291,508 | 296,743 | 274,826 | 274,482 |
| Global Budget and Waivers (b) | 106,297 | --- | --- | --- | --- |
| Managed Long Term Services and Supports (b) | --- | 215,602 | 315,258 | 381,538 | 461,150 |
| PAAD -- Expanded | 33,005 | 65,700 | 53,404 | 53,547 | 53,054 |
| Personal Care/Community Programs (b) | 63,170 | 31,721 | 35,977 | 40,507 | 38,007 |
| Senior and Disabled Citizens' Property Tax Freeze | 211,635 | 203,572 | 205,707 | 204,900 | 200,300 |
| SOBRA for Aged and Disabled | 234,262 | 237,629 | 244,164 | 263,419 | 276,277 |
| TOTAL GENERAL FUND SUPPORT | \$ 960,021 | \$ 1,045,732 | \$ 1,151,253 | \$ 1,218,737 | \$ 1,303,270 |

Notes:

- (a) Lapses and Adjustments include Interest Earnings, Casino Simulcasting Funds, and shifts in General Fund support.
(b) Beginning in FY 2015, Global Budget and Waiver services are provided through the Managed Long Term Services and Support program.

APPENDIX

9-1-1 SYSTEM AND EMERGENCY RESPONSE FEE
(thousands)

The estimated revenue from the mobile telecommunications service and telephone exchange service fee in fiscal year 2018 totals \$134.3 million. In accordance with the enabling legislation (P.L.2004, c.48), these funds will be deposited into the 9-1-1 System and Emergency Response Trust Fund account and applied to offset a portion of the cost of related programs listed below:

| | |
|--|-------------------|
| Department of Law and Public Safety | |
| Emergency Operations Center and Hamilton TechPlex Maintenance..... | \$ 3,773 |
| Office of Homeland Security and Preparedness..... | 9,478 |
| Rural Section Policing..... | 53,398 |
| Urban Search and Rescue..... | 1,000 |
| Division of State Police - Remaining Operating Budget..... | 238,174 |
| | |
| Department of Military and Veterans' Affairs | |
| Military Services - National Guard Support Services..... | 3,807 |
| | |
| Department of the Treasury | |
| Office of Emergency Telecommunication Services (OETS)..... | 900 |
| Statewide 9-1-1 Emergency Telecommunication System..... | 26,822 |
| | <hr/> |
| Total, State Appropriations..... | \$ 337,352 |

NEW JERSEY TRANSPORTATION CAPITAL PLAN (thousands)

The New Jersey Transportation Capital Plan funds the development and preservation of the State's transportation infrastructure through the Transportation Trust Fund Authority (P.L.1984, c.73 as amended), federal transportation system appropriations and third-party sources. The Transportation Trust Fund Authority funds State highway and bridge projects and public transportation projects outlined in the Department of Transportation's annual capital plan. Funds appropriated to the Authority are composed of toll road authority contributions, motor fuels taxes, petroleum products gross receipts taxes, and sales and use taxes. The Authority issues bonds to supplement State appropriations.

| | FY 2016 Expended | FY 2017 Adjusted Approp. | Year Ending ----- June 30, 2018 ----- | |
|---|-------------------------|--------------------------------|--|-------------------------|
| | | | Requested | Recommended |
| <i>Total, State Transportation Funds</i> | \$ 1,172,464 | \$ 1,600,000 | \$ 2,000,000 | \$ 2,000,000 |
| <i>Total, Federal Highway & Public Transportation Trust Funds</i> | 1,387,834 | 1,994,745 | 1,611,439 | 1,611,439 |
| <i>Third-Party Funds - NJ DOT</i> (a) | 1,019,952 | 290,100 | 220 | 220 |
| <i>Third-Party Funds - NJ Transit</i> (a) | 18,824 | 17,523 | 17,801 | 17,801 |
| <i>Total, Federal Economic Stimulus</i> | --- | --- | --- | --- |
| SUBTOTAL | \$ 3,599,074 (b) | \$ 3,902,368 | \$ 3,629,460 | \$ 3,629,460 (c) |
| <i>Port Authority of New York & New Jersey (PANYNJ)</i> | 136,506 | --- | --- | --- |
| TOTAL TRANSPORTATION CAPITAL PLAN | \$ 3,735,580 (b) | \$ 3,902,368 | \$ 3,629,460 | \$ 3,629,460 (c) |

STATE TRANSPORTATION FUNDS - DISTRIBUTION

| By Project Type | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| State Highway Projects - NJ DOT | \$ 453,595 | \$ 737,085 | \$ 826,300 | \$ 826,300 |
| Local Aid Highway Projects | 210,574 | 280,415 | 496,700 | 496,700 |
| Public Transportation Projects - NJ Transit | 508,295 | 582,500 | 677,000 | 677,000 |
| Total, State Transportation Funds | \$ 1,172,464 | \$ 1,600,000 | \$ 2,000,000 | \$ 2,000,000 |
| NJ DOT & NJ Transit Project List by Transportation Asset Category | | | | |
| Airport Assets | 1,180 | 4,000 | 4,000 | 4,000 |
| Bridge Assets | 178,258 | 269,168 | 296,912 | 296,912 |
| Capital Program Delivery | 114,237 | 174,000 | 165,400 | 165,400 |
| Congestion Relief | 8,046 | 14,396 | 92,539 | 92,539 |
| Local System Support | 185,255 | 286,073 | 498,573 | 498,573 |
| Mass Transit Assets | 482,508 | 547,263 | 575,604 | 575,604 |
| Multimodal Programs | 7,642 | 11,000 | 37,500 | 37,500 |
| Road Assets | 149,438 | 227,300 | 223,000 | 223,000 |
| Safety Management | 9,700 | 14,700 | 34,800 | 34,800 |
| Transportation Support Facilities | 36,200 | 52,100 | 71,672 | 71,672 |
| Total, State Transportation Funds | \$ 1,172,464 | \$ 1,600,000 | \$ 2,000,000 | \$ 2,000,000 |

FEDERAL HIGHWAY, PUBLIC TRANSPORTATION AND THIRD-PARTY FUNDS - DISTRIBUTION

| By Project Type | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| State Highway Projects - NJ DOT | \$ 1,880,323 | \$ 1,214,457 | \$ 955,290 | \$ 955,290 |
| Public Transportation Projects - NJ Transit | 682,793 | 1,087,911 | 674,170 | 674,170 |
| Total, Federal Highway, Public Transportation & Third-Party Funds | \$ 2,563,116 | \$ 2,302,368 | \$ 1,629,460 | \$ 1,629,460 |
| Federal Economic Stimulus - NJ DOT | --- | --- | --- | --- |
| Total, Federal Economic Stimulus | \$ --- | \$ --- | \$ --- | \$ --- |
| Total, Federal Highway, Public Transportation, Third-Party & Economic Stimulus Funds | \$ 2,563,116 | \$ 2,302,368 | \$ 1,629,460 | \$ 1,629,460 |
| NJ DOT & NJ Transit Project List by Transportation Asset Category | | | | |
| Bridge Assets | 1,312,364 | 504,800 | 211,070 | 211,070 |
| Capital Program Delivery | 21,282 | 28,100 | 37,140 | 37,140 |
| Congestion Relief | 199,810 | 307,700 | 323,700 | 323,700 |
| Local System Support | 79,295 | 97,220 | 105,310 | 105,310 |
| Mass Transit Assets | 634,168 | 1,000,391 | 586,650 | 586,650 |
| Multimodal Programs | 132,999 | 116,200 | 19,890 | 19,890 |
| Road Assets | 139,627 | 189,700 | 282,800 | 282,800 |
| Safety Management | 43,571 | 58,257 | 62,900 | 62,900 |
| Total, Federal Highway, Public Transportation, Third-Party & Economic Stimulus Funds | \$ 2,563,116 | \$ 2,302,368 | \$ 1,629,460 | \$ 1,629,460 |

Notes:

- (a) Third-party funds represent funding provided from other sources, including but not limited to, bi-state and autonomous authorities, private entities and local governments.
- (b) FY 2016 expended is derived from the FY 2016 Transportation Capital Program and may include the federal economic stimulus program authorized by the "American Recovery and Reinvestment Act of 2009."
- (c) The specific projects represented by these amounts will be outlined in the Draft FY 2018 Transportation Capital Program, to be issued in April 2017, and finalized in the FY 2018 Transportation Capital Program when the FY 2018 Budget is adopted.

APPENDIX

STATE OF NEW JERSEY STATEMENT OF GENERAL LONG-TERM DEBT June 30, 2016 (thousands)

| | ACT OF | AUTHORIZED | UNISSUED | RETIRED ^(a) | OUTSTANDING |
|---|--------|----------------------|-------------------|------------------------|---------------------|
| Clean Waters Bonds..... | 1976 | \$ 120,000 | \$ 3,400 | \$ 116,535 | \$ 65 |
| State Land Acquisition and Development Bonds..... | 1978 | 200,000 | --- | 199,975 | 25 |
| Natural Resources Bonds..... | 1980 | 145,000 | 9,600 | 135,400 | --- |
| Energy Conservation Bonds..... | 1980 | 50,000 | 1,600 | 48,400 | --- |
| Water Supply Bonds..... | 1981 | 350,000 | 73,150 | 273,160 | 3,690 |
| Hazardous Discharge Bonds..... | 1981 | 100,000 | 43,000 | 57,000 | --- |
| New Jersey Green Acres Bonds..... | 1983 | 135,000 | 14,500 | 120,500 | --- |
| Refunding Bonds (b)..... | 1985 | 6,265,655 | --- | 5,141,450 | 1,124,205 |
| Pinelands Infrastructure Trust Bonds..... | 1985 | 30,000 | 6,750 | 23,020 | 230 |
| Hazardous Discharge Bonds..... | 1986 | 200,000 | 38,000 | 152,980 | 9,020 |
| Green Acres, Cultural Centers and Historic Preservation Bonds..... | 1987 | 100,000 | 1,000 | 98,785 | 215 |
| New Jersey Open Space Preservation Bonds..... | 1989 | 300,000 | 22,600 | 276,780 | 620 |
| Public Purpose Buildings and Community-Based Facilities Construction Bonds..... | 1989 | 125,000 | 5,000 | 120,000 | --- |
| Stormwater Management and Combined Sewer Overflow Abatement Bonds..... | 1989 | 50,000 | 9,500 | 36,650 | 3,850 |
| New Jersey Green Acres, Clean Water, Farmland and Historic Preservation Bonds..... | 1992 | 345,000 | 12,880 | 330,055 | 2,065 |
| Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction Bonds..... | 1994 | 160,000 | --- | 159,865 | 135 |
| Green Acres, Farmland and Historic Preservation and Blue Acres Bonds..... | 1995 | 340,000 | 18,000 | 319,200 | 2,800 |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration and Delaware Bay Area Economic Development Bonds..... | 1996 | 300,000 | 72,800 | 184,195 | 43,005 |
| Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bonds..... | 2003 | 200,000 | 38,750 | 151,485 | 9,765 |
| Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds..... | 2007 | 200,000 | 27,500 | 118,370 | 54,130 |
| Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bonds..... | 2009 | 400,000 | 170,200 | 18,460 | 211,340 |
| Building Our Future Bonds..... | 2012 | 750,000 | 200,000 | 23,515 | 526,485 |
| Total Long-Term Debt..... | | \$ 10,865,655 | \$ 768,230 | \$ 8,105,780 | \$ 1,991,645 |

Notes:

- (a) The amounts shown under the "Retired" column include bonds for which provision for payment has been made through the issuance of refunding bonds.
- (b) The amount shown under the "Authorized" column represents the aggregate amount of refunding bonds issued. The refunding bond act does not limit the amount of refunding bonds which may be issued, provided certain other restrictions are met. The issuance of refunding bonds may defease bonds previously issued under any bond act.

Excludes bonds that have no amounts unissued or outstanding.

**STATE APPROPRIATIONS LIMITATION ACT
(CAP Law)**

The State Appropriations Limitation Act (P.L.1990, c.94), commonly called the CAP Law, limits the growth of appropriations in the Direct State Services section of the budget, which encompasses the operations of State government. Exempt from the limitation are Grants-In-Aid; State Aid to counties, municipalities, local school districts and other instrumentalities; federal funds appropriations; Capital Construction; Debt Service; and monies deposited in and expended from the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund and the Gubernatorial Elections Fund.

The State may exceed the maximum appropriations if a bill making an appropriation is agreed to by a two-thirds vote of all members of each legislative body.

Under the formula in the law, the maximum appropriation for fiscal year 2018 is computed by multiplying the base year appropriation (fiscal 2017) subject to the percentage limitation by the average three-year growth rate in per capita personal income calculated on a fiscal basis. The fiscal 2018 CAP is calculated using 3.34%.

The calculation results in a maximum increase of \$208 million over the fiscal 2017 Adjusted Appropriation, or a maximum appropriation of \$6.435 billion for Direct State Services for fiscal 2018. The Governor’s recommendation for fiscal 2018, for items under the CAP, is \$6.203 billion, or \$232.6 million under the CAP limit. Data used to compute the appropriation limit are presented in the accompanying tables.

STATE INCOME
(in millions)

| | |
|-------------|-----------|
| Fiscal 2013 | \$493,390 |
| Fiscal 2014 | \$499,405 |
| Fiscal 2015 | \$525,386 |
| Fiscal 2016 | \$545,541 |

Source: United States Department of Commerce, Bureau of Economic Analysis

STATE POPULATION

| | |
|-------------|-----------|
| Fiscal 2013 | 8,899,339 |
| Fiscal 2014 | 8,938,175 |
| Fiscal 2015 | 8,958,013 |
| Fiscal 2016 | 8,944,469 |

Source: United States Department of Commerce, Census Bureau

STATE PER CAPITA PERSONAL INCOME

| | Personal Income | Percentage Change |
|--------------------|----------------------------|------------------------------|
| Fiscal 2013 | 55,441 | |
| Fiscal 2014 | 55,873 | 0.78% |
| Fiscal 2015 | 58,650 | 4.97% |
| Fiscal 2016 | 60,992 | 3.99% |
| Three-Year Average | | 3.34% |

Source: United States Department of Commerce, Census Bureau

APPENDIX

**COMPUTATION OF FISCAL 2018 CAP
SUBJECT TO EXPENDITURE LIMITATION LAW PERCENTAGE
(thousands)**

| | | |
|--|---------------|----------------------|
| Adjusted Appropriations for Fiscal 2017 | \$ | 34,615,724 |
| Less Statutory Exemptions: | | |
| Grants-In-Aid | | (9,609,295) |
| State Aid | | (848,035) |
| Capital Construction | | (1,548,438) |
| Debt Service | | (340,834) |
| Property Tax Relief Fund | | (14,637,380) |
| Casino Control Fund | | (50,268) |
| Casino Revenue Fund | | (221,508) |
| Gubernatorial Elections Fund | | (14,080) |
| Less: Defined Benefit Pension Contributions | | (616,926) |
| Less: Funding In Accordance with Court Settlements | | (333,349) |
| Less: Federal Funds Support of Employee Benefits | | (168,421) |
| | | (23,277,510) |
| Fiscal 2017 Base Subject to Percentage Limitation | \$ | 6,227,190 |
| Per Capita Personal Income Growth Rate | | 3.34% |
| Maximum Increase in Appropriation for Fiscal 2018 | \$ | 207,988 |
| Maximum Appropriation for Fiscal 2018 | | 6,435,178 |
| Fiscal 2018 Recommendation | | 7,484,300 |
| Less: Defined Benefit Pension Contributions | | (800,543) |
| Less: Funding In Accordance with Court Settlements | | (318,837) |
| Less: Federal Funds Support of Employee Benefits | | (162,322) |
| | | (1,281,702) |
| Amount of Fiscal 2018 Appropriation Subject to the CAP Limitation | \$ | 6,202,598 |
| Amount Over/(Under) the CAP Limitation | \$ | (232,580) |

DEBT SERVICE SCHEDULE
(thousands)

The schedule below lists all debt service payments to be made from State appropriations in fiscal year 2018, including general obligation debt as well as other debt subject to appropriation.

| | |
|--|---------------------|
| Department of Education | |
| School Construction and Renovation Fund..... | \$ 1,008,654 |
| Pension Obligation Bonds..... | 226,217 |
| Department of Environmental Protection | |
| General Obligation Bonds..... | 39,046 |
| Department of Health | |
| Hospital Asset Transformation Program..... | 15,492 |
| University Hospital..... | 12,064 |
| Department of Human Services | |
| Mental Health Bonds - Human Services Facilities..... | 1,156 |
| Higher Educational Services | |
| Higher Education Capital Improvement Program..... | 66,652 |
| County College Debt Service (P.L.1971, c.12)..... | 35,630 |
| Higher Education Facilities Trust..... | 19,697 |
| Equipment Leasing Fund..... | 16,343 |
| Pension Obligation Bonds..... | 9,926 |
| Technology Infrastructure Fund..... | 3,733 |
| Dormitory Safety Trust Fund..... | 365 |
| Department of Transportation | |
| Transportation Trust Fund..... | 1,311,533 |
| NJ Transit Certificates of Participation..... | 64,220 |
| Department of the Treasury | |
| General Obligation Bonds..... | 287,324 |
| Pension Obligation Bonds..... | 22,312 |
| South Jersey Port Corporation Debt Service Reserve Fund..... | 17,654 |
| Public Library Project Fund..... | 3,730 |
| Interdepartmental | |
| Pension Obligation Bonds..... | 168,221 |
| Open Space Preservation..... | 97,683 |
| Capital Leases..... | 89,100 |
| New Jersey Building Authority..... | 86,156 |
| New Jersey Sports and Exposition Authority..... | 64,193 |
| Line of Credit (all agencies)..... | 55,938 |
| Greystone Psychiatric Hospital..... | 21,483 |
| Municipal Rehabilitation and Economic Recovery..... | 14,141 |
| Liberty Science Center..... | 9,739 |
| Economic Development Authority..... | 6,238 |
| Interest on Short Term Notes..... | 6,000 |
| Biomedical Research Bonds..... | 3,483 |
| Lafayette Yard..... | 2,465 |
| Interest on Interfund Borrowing..... | 100 |
| Total Debt Service Appropriation..... | \$ 3,786,688 |

APPENDIX

HEALTH CARE SUBSIDY FUND (thousands)

| | Actual FY 2015 | Actual FY 2016 | Budget FY 2017 | Budget FY 2018 |
|--|-------------------|-------------------|-------------------|-------------------|
| FUND BALANCE JULY 1 | \$ 10,036 | \$ 13,446 | \$ 4,678 | \$ 3,892 |
| REVENUES | | | | |
| Provider Taxes | | | | |
| HMO Premiums Assessment..... | 159,047 | 185,101 | 195,467 | 204,073 |
| .53% Hospital Assessment..... | 111,055 | 115,480 | 120,526 | 125,793 |
| Ambulatory Care Facility Assessment..... | 55,578 | 54,935 | 54,386 | 53,842 |
| Cosmetic Medical Procedures Tax (a)..... | 302 | 19 | --- | --- |
| Other Revenue Sources | | | | |
| Cigarette Tax..... | 396,500 | 396,500 | 396,500 | 396,500 |
| Alcohol Excise Tax..... | 22,000 | 22,000 | 22,000 | 22,000 |
| Investment Earnings..... | 48 | 156 | 50 | 50 |
| TOTAL REVENUES | \$ 744,530 | \$ 774,191 | \$ 788,929 | \$ 802,258 |
| TOTAL RESOURCES | \$ 754,566 | \$ 787,637 | \$ 793,607 | \$ 806,150 |
| EXPENDITURES | | | | |
| Charity Care..... | 550,000 | 502,000 | 302,000 | 252,000 |
| Children's Health Insurance Program (CHIP)..... | 125,546 | 68,076 | 17,544 | 28,758 |
| Federally Qualified Health Centers..... | 28,786 | 30,408 | 28,000 | 28,000 |
| Hospital Mental Health Offset Payments..... | 12,207 | 12,251 | 12,327 | 12,327 |
| Delivery System Reform Incentive Payments..... | 28,853 | 28,835 | 20,655 | 20,655 |
| NJ FamilyCare..... | --- | 171,772 | 411,517 | 488,000 |
| TOTAL EXPENDITURES | \$ 745,392 | \$ 813,342 | \$ 792,043 | \$ 829,740 |
| <i>General Fund Support</i> | <i>(4,272)</i> | <i>(30,383)</i> | <i>(2,328)</i> | <i>(27,482)</i> |
| NET EXPENDITURES | \$ 741,120 | \$ 782,959 | \$ 789,715 | \$ 802,258 |
| Projected Surplus/Deficit | \$ 13,446 | \$ 4,678 | \$ 3,892 | \$ 3,892 |
| Federal Funds Appropriated for Programs Above | | | | |
| Charity Care..... | 100,000 | --- | --- | --- |
| Children's Health Insurance Program (CHIP)..... | 219,999 | 319,410 | 401,119 | 433,719 |
| Hospital Mental Health Offset Payments..... | 12,207 | 12,251 | 12,237 | 12,237 |
| Delivery System Reform Incentive Payments..... | 75,102 | 75,120 | 83,300 | 83,300 |

Notes:

(a) The tax on cosmetic surgery procedures was eliminated in FY15.

WORKFORCE

Full-time employees have been reduced by over 10,000 between the beginning of the Christie Administration and January 20, 2017. The Administration continues to manage staffing levels by budgeting the fiscal 2018 funded level at a continuation of the 2017 filled level for most agencies. The budget displays position growth from the 2017 filled level in programs impacted by enacted legislation or the Administration's priorities. Examples are listed below. While the fiscal 2018 column represents budgeted positions, the Administration remains committed to aggressively managing the State's workforce downwards.

State funded growth of 76, net of attrition, within the Department of Law and Public Safety, is partly due to the graduation of the 158th State Trooper class. The fiscal 2018 budget provides funding for the recruitment of the 159th class. This will be the ninth new class trained since 2010. With the graduation of the 159th class, the State Trooper level is expected to be at its highest level since the beginning of this Administration. In addition, the fiscal 2018 budget provides for new forensic positions in response to the pretrial detention constitutional amendment for bail reform.

The pretrial detention constitutional amendment for bail reform took effect on January 1, 2017. As a result, the fiscal 2018 budget supports 68 additional State funded positions within the Office of the Public Defender and 159 additional non-State funded positions within the Judiciary. The fiscal 2018 budget also supports 80 additional State funded positions, including 20 new judges authorized by the enactment of P.L.2016, c.103, which further support the implementation of bail reform.

APPENDIX

STATE FUNDED WORKFORCE

| | FY 2016 Actual | FY 2017 1/20/17 | FY 2018 Funded Positions |
|--|-------------------|--------------------|--------------------------------|
| AGRICULTURE..... | 87 | 84 | 84 |
| BANKING AND INSURANCE..... | --- | --- | --- |
| CHIEF EXECUTIVE OFFICE..... | 112 | 110 | 108 |
| CHILDREN AND FAMILIES..... | 4,698 | 4,789 | 4,789 |
| COMMUNITY AFFAIRS..... | 86 | 84 | 84 |
| CORRECTIONS (Balance)..... | 7,392 | 7,487 | 7,493 |
| - Parole Board..... | 578 | 574 | 576 |
| EDUCATION..... | 409 | 408 | 408 |
| ENVIRONMENTAL PROTECTION..... | 964 | 957 | 962 |
| - CBT Dedication..... | --- | --- | --- |
| HEALTH..... | 344 | 353 | 353 |
| HUMAN SERVICES (Total)..... | 7,876 | 7,783 | 7,776 |
| - Management and Budget..... | 293 | 308 | 308 |
| - Medical Assistance..... | 158 | 144 | 144 |
| - Disability Services..... | 15 | 12 | 13 |
| - Family Development..... | 178 | 168 | 168 |
| - Commission for the Blind and Visually Impaired | 175 | 174 | 174 |
| - Deaf and Hard of Hearing | 5 | 5 | 5 |
| - Developmental Disabilities | 2,645 | 2,518 | 2,512 |
| - Mental Health and Addiction Services..... | 4,216 | 4,248 | 4,246 |
| - Division of Aging..... | 191 | 206 | 206 |
| LABOR AND WORKFORCE DEVELOPMENT (Balance)..... | 171 | 167 | 169 |
| - Public Employee Relations Commission | 32 | 32 | 33 |
| - Civil Service Commission..... | 242 | 234 | 235 |
| LAW AND PUBLIC SAFETY (Balance)..... | 2,162 | 2,142 | 2,159 |
| - State Police..... | 2,038 | 2,080 | 2,139 |
| - Office of Homeland Security and Preparedness | 68 | 75 | 79 |
| - Election Law Enforcement Commission | 63 | 66 | 70 |
| - State Ethics Commission..... | 11 | 11 | 11 |
| - Juvenile Justice Commission..... | 950 | 947 | 974 |
| - Division of Gaming..... | --- | --- | --- |
| MILITARY AND VETERANS' AFFAIRS..... | 1,257 | 1,214 | 1,214 |
| STATE (Balance)..... | 150 | 142 | 150 |
| - Secretary of Higher Education..... | 15 | 14 | 17 |
| - Student Assistance..... | --- | --- | --- |
| TRANSPORTATION..... | 1,520 | 1,561 | 1,555 |
| - Motor Vehicle Commission..... | --- | --- | --- |
| TREASURY (Balance)..... | 2,348 | 2,232 | 2,233 |
| - Office of State Comptroller..... | 84 | 90 | 90 |
| - Casino Control Commission..... | --- | --- | --- |
| - Office of Administrative Law..... | 81 | 78 | 78 |
| - Office of Information Technology..... | --- | --- | --- |
| - Public Defender..... | 1,187 | 1,200 | 1,268 |
| - Board of Public Utilities | --- | --- | --- |
| MISCELLANEOUS COMMISSIONS..... | 1 | 1 | 1 |
| SUBTOTAL, EXECUTIVE BRANCH..... | 34,926 | 34,915 | 35,108 |
| LEGISLATURE..... | 442 | 435 | 442 |
| - SCI | 41 | 44 | 47 |
| JUDICIARY | 7,337 | 7,251 | 7,331 |
| GRAND TOTAL..... | 42,746 | 42,645 | 42,928 |

NON-STATE FUNDED WORKFORCE

A supplementary display of Other Governmental Funds and Proprietary Funds can be found online at the following address:

www.state.nj.us/treasury/omb/publications/18budget